

INVESTIGATION REPORT

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III REPORT PREPARED BY: Perna *Perna* DATE SIGNED: *8/16/13*

Telephone(s):

On July 17, 2013, an interview of Jeff Miller was conducted by Gary Winuk of the California Fair Political Practices Commission (FPPC), Cliff Zall and Barton Bowers of the California State Attorney General's office, and Robert Perna of the FPPC. Attorneys representing Jeff Miller at the interview were Thomas Hiltachk and Patrick Hanly. The interview primarily focused on the activities of Anthony Russo and Jeff Miller on Express Advocacy and Issue Advocacy relating to California during the years 2011 and 2012. The interview was conducted at the Law Office of Patrick Hanly, 980 Ninth Street, 16th Floor, in Sacramento, California. The interview was recorded on a digital recording device and electronically submitted to Foothill Transcription Company, who prepared a

transcript of the interview. Robert Perna compared the transcript with the recorded interview and identified some discrepancies, for the most part in the proper identification of the person speaking, and requested that Foothill Transcription make those changes to the original transcript. The corrected transcript of the interview of Jeff Miller is attached to this investigation report.

Transcription of Recorded Interview

Of

Jeff Miller

Sacramento, California

Interviewed by: Gary Winuk
Bob Perna
Cliff Zall
Barton Bowers

Transcribed by: Carolyn Rodriguez,
Foothill Transcription Company
July 24, 2013
Elk Grove, California

1 Mr. Perna: Okay, the first thing I would like to do is just to have
2 everybody introduce themselves for voice recognition. We'll start with you,
3 maybe, Mr. Miller.

4 Mr. Miller: Jeff Miller.

5 Mr. Winuk: I'm Gary Winuk, I'm the Chief of Enforcement for
6 the Fair Political Practices Commission in
7 California.

8 Mr. Zall: I'm Cliff Zall, I'm with the Attorney General's
9 Office.

10 Mr. Bowers: Barton Bowers, also a Deputy Attorney General.

11 Mr. Hanly: Pat Hanly, hey, Jeff.

12 Mr. Hiltachk: And Tom Hiltachk.

13 Mr. Miller: Hi, Pat.

14 Mr. Perna: I'm Bob Perna, with the Fair Political Practices
15 Commission. Did anybody want to say anything
16 before we start?

17 Mr. Zall: The only thing I assume, we assume that you're
18 attorneys have, you know, you guys have
19 explained the, kind of the ground rules to Jeff
20 and so, we're all set to go?

21 Mr. Hiltachk: I told him to answer your questions.

22 Mr. Perna: Okay.

23 Mr. Hanly: Let's see if I can get that picture cleared up.
24 Go ahead.

25 Mr. Perna: We recently received some documentation from

1 you, or your representatives, and I'd like to
2 start by just talking about the PowerPoint
3 presentation that we --

4 **Mr. Miller:** Sure.

5 **Mr. Perna:** -- that we were provided. Yes, sir, exactly.
6 Who developed this presentation?

7 **Mr. Miller:** Tony Russo and myself.

8 **Mr. Perna:** Okay. And when did, when did you develop it?

9 **Mr. Miller:** Good question. Early 2012, I think.

10 **Mr. Perna:** Okay.

11 **Mr. Miller:** And I'm guessing on that but it, you know,
12 early 2012. I, you know, it was kind of an
13 ongoing deal. As you get polling information,
14 as you get other details, obviously, you add to
15 it for what you're going to go out and brief the
16 potential donors on.

17 **Mr. Perna:** Okay. So from some of the emails that I've
18 looked at, it looks like there was some planning
19 stages as early as January, February, March of
20 2012. I don't know if you developed this plan
21 at that point. But that there was -- the issues
22 that were voted on in November, there was
23 concern about those issues early in 2012. So
24 this plan, was this something you might have
25 worked on, say in, prior, in April of 2012 or

1 before?

2 Mr. Miller: Oh, oh, yeah, absolutely, yeah.

3 Mr. Perna: Okay.

4 Mr. Winuk: Can I ask -- did you consult with anyone else in
5 developing the plan? Or was it literally just
6 you and Mr. Russo?

7 Mr. Miller: In developing the plan, I mean, there was lots
8 of consultants involved on all of the campaigns,
9 obviously, that you spoke to regularly. I mean,
10 what, you know, by the plan, you mean like how
11 we were going to go approach the donor
12 community? We used other fundraisers out there
13 that we talked to, I'm going to get to --

14 Mr. Winuk: Well, one part of it, specifically --

15 Mr. Miller: -- get to that, get to that.

16 Mr. Winuk: -- though, has a, it has a timeline, a chart. I
17 apologize, I don't remember the page number off
18 the top of my head. It has kind of a chart or a
19 plan for the spending?

20 Mr. Miller: Yes, sir.

21 Mr. Winuk: No, they're not numbered, that makes things
22 worse. It's called 2012 Project Timeline, is
23 one of them.

24 Mr. Miller: Yes, sir.

25 Mr. Winuk: I apologize. I don't know what number it is.

1 It kind of just --

2 **Mr. Miller:** No, I'm looking at it.

3 **Mr. Winuk:** Yeah, sure. It kind of anticipates, you know,

4 when you wanted to do some of the issue ads, and

5 then when you wanted to do some of the more

6 express advocacy ads. So there was kind of the

7 fundraising piece to it and then there was the,

8 okay, how we, at least, initially planned on

9 expending the money. So just, specifically, for

10 how you planned to expend the money, did you

11 consult with any other campaign-type people or

12 strategists or anyone to develop that?

13 **Mr. Miller:** Well, I mean, for the issue advocacy effort, I

14 mean, there were lots of people involved. You

15 know, we created ads, we created a lot of TV ads

16 and radio ads that we planned to use for issue

17 advocacy. There were people involved with that,

18 Larry McCarthy, Frank Luntz with Op Research,

19 and I'm trying to remember who did the other

20 info on it. But, yeah, of course, I mean Tony's

21 much more of a political consultant than I but I

22 doubt anyone would want me to develop a campaign

23 TV ad, not to be smiling.

24 **Mr. Winuk:** Sure, now, well, so we're going to ask probably

25 some similar questions about almost every issue,

1 so you may want to incorporate these as answers.

2 **Mr. Miller:** Sure.

3 **Mr. Winuk:** So I'll just do it first and then, again,
4 whether -- we want to cover all our bases with
5 some of the parties who were involved in here.
6 So I guess we'll just take it as a blanket
7 question for pretty much any issue. But in
8 developing a plan, was there any communication
9 with anyone from AJS, Steve DeMaura or any other
10 person? And same thing for the other two
11 parties that, at least, we have some interest in
12 today, which is CPPR and Sean Noble or any of
13 their agents, or ARL or any of their agents, or
14 SBAC or any of their agents? Just,
15 specifically, for developing the plan?

16 **Mr. Miller:** Sure, for developing the plan on the issue
17 advocacy, absolutely. Steve DeMaura, he saw all
18 the ads, he actually participated in some of the
19 focus groups. I mean, we spoke to Steve early
20 on to see if they had, would have an interest in
21 participating in issue advocacy in California.
22 So what -- we're good, thank you. So yeah, I
23 mean, absolutely, spoke to Steve. I can't
24 really address on Sean Noble. I've, I'll be --
25 I actually have met him once briefly at a

1 birthday party. But I, there was a
2 communication even, and I can't speak for Tony,
3 he can tell you this, but I don't think there's
4 any communication with Sean on developing, other
5 than he was, they helped pay for some of the ops
6 research we did. They helped pay for --

7 **Mr. Winuk:** And I apologize to interrupt you.

8 **Mr. Miller:** -- some of the focus groups we did.

9 **Mr. Winuk:** I'm sorry to interrupt. I just want to break
10 out a couple of the things you're saying.

11 **Mr. Miller:** No, no, no.

12 **Mr. Winuk:** The video --

13 **Mr. Miller:** It's just that --

14 **Mr. Winuk:** -- broke up a little --

15 **Mr. Miller:** I apologize if I'm rambling, going through my
16 thoughts here.

17 **Mr. Winuk:** No, it's no problem at all. You broke up a
18 little bit when you were saying Sean Noble, it
19 sounded like you said you had just met him once
20 at a birthday party but I missed, I missed a
21 little bit of that with the transmission.

22 **Mr. Miller:** Yes, I don't, I personally do not know Sean
23 Noble. So I met him briefly at someone's
24 birthday party but it was a hand shake. I
25 don't, I don't know him at all. But I do know

1 that he helped pay for a some op research we
2 did. I know he helped pay for a lot of the
3 focus groups efforts we did. During that
4 process, when we were, you know -- because I
5 and, again, I am not the political TV guy. But
6 when you go to develop these campaign as, you
7 know, you do a lot of focus groups to pick the
8 rights words to use in these TV ads, the right
9 images and all that stuff, in this issue
10 advocacy. I don't think anyone on our team has
11 ever, and I'm, I am guessing here, but I do not
12 believe anyone has ever spoke to CPPR or the
13 other acronym you just used, ARL.

14 **Mr. Winuk:** Yeah, there was ARL, and sorry, it's all --

15 **Mr. Miller:** ARL.

16 **Mr. Winuk:** -- alphabet soup, as you know.

17 **Mr. Miller:** That's okay.

18 **Mr. Winuk:** How about with SBAC, was there a development,
19 early on, with SBAC or Jim Lacy or any of the
20 folks down there, early on in the plan?

21 **Mr. Miller:** Yeah, not by me but I believe, I believe and
22 that's, you know, I want to be clear, I don't,
23 I believe that there was discussions with Joel.
24 Joel was obviously very supportive of the
25 effort, meaning that he was opposed to Prop 30

1 and very supportive of Prop 32. We knew he
2 would be willing to fight that fight.

3 **Mr. Winuk:** Because eventually --

4 **Mr. Miller:** Which is pretty rare.

5 **Mr. Winuk:** I'm sorry.

6 **Mr. Zall:** Okay, Mr. Miller, can I just ask you, and I
7 apologize for maybe my own ignorance here but
8 can you sort of just maybe generally describe
9 how this plan, you know, came about? In other
10 words, you said that people were consulted. I
11 mean, so you have, I assume, you know, there are
12 these propositions on the ballot and then
13 somebody says okay, hey, we need a coordinated
14 effort. I mean, I guess, sort of, generally,
15 can you sort of tell us how the plan --

16 **Mr. Miller:** Yeah, sure --

17 **Mr. Zall:** -- came about?

18 **Mr. Miller:** -- I mean, you know, as you know, the guys in
19 Orange County were the ones that actually put
20 the initiative on the ballot, Prop 32.

21 **Mr. Zall:** Okay.

22 **Mr. Miller:** When it looked, when -- and I'm speaking
23 strictly from my perspective, by the way. When
24 we started to see that, hey, they were actually
25 going to be successful getting this thing on the

1 ballot, a lot of the high net worth individuals
2 in the state that are "center right" trust us.
3 And I think they all wanted to see if there was
4 a true opportunity to win on something like
5 that. So we started looking, at that time, and
6 I don't recall exactly what time of the year
7 that was.

8 **Mr. Zall:** Can I interrupt you?

9 **Mr. Miller:** Just (inaudible).

10 **Mr. Zall:** When you say, I'm sorry --

11 **Mr. Miller:** Yes.

12 **Mr. Zall:** When you say we, you're talking about you and
13 Mr. Russo?

14 **Mr. Miller:** Yes, sir, yes, sir.

15 **Mr. Zall:** Okay.

16 **Mr. Miller:** Sorry.

17 **Mr. Zall:** Okay, sorry. Go ahead.

18 **Mr. Miller:** Yes, sir. So, you know, at that point in time
19 we started, you know, looking and thinking at
20 things we could do. We knew we wanted to do
21 issue advocacy. We met Steve DeMaura, actually,
22 through a friend of mine, a political friend of
23 mine, when we were -- we knew that, you know,
24 the fact is, people are afraid of the unions in
25 a multitude of ways in California. They're

1 afraid of retribution. So we knew there
2 wouldn't be many groups that would be willing to
3 go out and put their name on issue advocacy in
4 this fight because they didn't want to face the
5 retribution of the unions.

6 **Mr. Zall:** You mean express --

7 **Mr. Miller:** So we were, we were looking for --

8 **Mr. Zall:** I'm sorry. You said they wouldn't want to put
9 their names on issue advocacy. You mean express
10 advocacy, is that what you meant?

11 **Mr. Miller:** No.

12 **Mr. Zall:** Okay.

13 **Mr. Miller:** No, no, no, I mean this issue advocacy.

14 **Mr. Zall:** Okay.

15 **Mr. Miller:** Because issue advocacy still has paid for by.

16 **Mr. Zall:** Okay. Got you, okay.

17 **Mr. Miller:** You know, it would still have paid for by
18 Americans For Job Security, or whatever it would
19 say. So no, we were looking for someone who
20 would have the willingness to do that, that
21 wouldn't be afraid of retribution. I mean, you
22 know, for example, you know, the State Chamber,
23 a lot of the corporations on the State Chamber
24 would never let the State Chamber do issue
25 advocacy like that, right? Because big large

1 corporations, public corporations don't want
2 retribution from their union members for
3 participating in something like that. So long
4 story short, a friend of mine named Dave Carney,
5 who I knew in politics, introduced us to Steve.
6 Because we were kind of asking around, looking
7 for someone that might be willing to do issue
8 advocacy. We knew it would have to, most
9 likely, be an out-of-state committee. And we
10 met Steve and he expressed a lot of interest in
11 getting involved in something like that. And,
12 at that point, we began the discussions about,
13 you know, us helping him raise funds and his
14 willingness to write issue advocacy and, at that
15 point, we went into the ad development, you
16 know, launching a website, you know, developing
17 some radio ads, etcetera.

18 **Mr. Zall:** When you say, you say that you figured you would
19 need somebody from out-of-state to do the issue
20 ads, why is that, that you guys felt like you
21 needed an out-of-state group like Americans For
22 Job Security to do the issue ads?

23 **Mr. Miller:** I'm sorry, I thought I stated that clearly
24 earlier. Because very few groups in this state
25 would be willing to do it because of fear of

1 retribution from the unions.

2 **Mr. Zall:** Okay, okay, now, I follow you now.

3 **Mr. Miller:** Very few.

4 **Mr. Zall:** Thank you.

5 **Mr. Miller:** It's just, you know, I mean, listen, after this,
6 how many people like Tony and I are going to
7 want to fight this fight again?

8 **Mr. Hanly:** Yeah.

9 **Female Voice:** He asked me to zoom in and come back out to see
10 if that helps.

11 **Mr. Hanly:** How do I do that?

12 **Mr. Zall:** Oh, I think it's --

13 **Mr. Hiltachk:** Are you guys fine with it?

14 **Mr. Winuk:** It's fine.

15 **Mr. Zall:** Yeah, it's fine.

16 **Mr. Winuk:** I think it's fine. Let's just keep rolling
17 along.

18 **Mr. Zall:** Yeah, let's not mess with it, it's fine.

19 **Mr. Winuk:** Okay.

20 **Mr. Zall:** Yeah, if he's, if Mr. Miller's fine with it, I
21 think we're good.

22 **Mr. Hiltachk:** You can see us okay, Jeff?

23 **Mr. Miller:** I'm good. Your face, like, needs a little
24 blurry, Tom.

25 **Mr. Hiltachk:** Yeah, thanks.

1 Mr. Winuk: That's funny, it's a little blurry on our end,
2 as well.

3 Mr. Zall: Yeah, okay Gary, Bob go ahead.

4 Mr. Perna: So this presentation that you provided to us, at
5 what point was this ready to be used, you know,
6 in your solicitations or presentations to
7 potential contributors?

8 Mr. Miller: I would guess sometime in the middle of 2012.

9 Mr. Perna: Okay.

10 Mr. Miller: And I'm strictly guessing but, you know,
11 sometime in the middle of 2012. I don't
12 remember exactly. And I'm looking back through
13 here, what we have, I don't -- well, if you
14 actually look on the spreadsheet of the monies
15 we received, in the last column --

16 Mr. Perna: You started in May.

17 Mr. Miller: -- that's the date we began --

18 Mr. Perna: Right.

19 Mr. Miller: -- the date, and it started in May.

20 Mr. Perna: Right.

21 Mr. Miller: So, obviously, we began those solicitations in
22 the middle of 2012.

23 Mr. Perna: Okay. So at the point you started doing the
24 solicitations, was the presentation ready at
25 that time? I mean, because you started getting

1 them in May?

2 **Mr. Miller:** Yeah, I mean, it would, it would, it would
3 change, you know, it would change in the fact
4 that, as we developed -- I mean, listen, when
5 you're going to ask people to make a
6 contribution like this, it's a lot of trust is
7 involved. And you show them. So we would put
8 in the TV ads that we were looking at, you know,
9 using for issue advocacy. And, obviously, those
10 TV ads would change over time, based on focus
11 groups and, you know, there would be tweaks as
12 we developed a website and figured out all the,
13 you know -- which I'm not a high tech guy. But
14 all the kind of cool stuff you could do in
15 social media world. We'd update the
16 presentation a little bit on some of that. But,
17 I mean, the budget, the budget was pretty much
18 the same, as I recall, from the very beginning
19 on what we were focused on.

20 **Mr. Perna:** Okay, that's where this is going to go next is,
21 there's a budget of \$50 million and then there's
22 a plan, as far as radio advertising and TV
23 advertising. That part was, is pretty stable.
24 Then it was more as you developed, like, ads
25 that you could show people or something. That's

1 what changed. Is that correct?

2 **Mr. Miller:** Well, yeah, yeah, and I mean, little things, not
3 big things. But I'd have to, and I haven't
4 really thumbed through this thing but, you know
5 what I mean, like we would go through polling
6 information and the plan. Obviously, that
7 would, that would change. Along the time, as we
8 got new polling data and you know, you make
9 little adjustments here and there in a
10 presentation as you gather more information.
11 Because, you know, we did this, obviously, we
12 did this fundraising for, you know, five months
13 plus.

14 **Mr. Winuk:** Can I ask -- this may be a question for you
15 guys. There's a whole bunch of pages that are
16 redacted.

17 **Mr. Hiltachk:** They're not redacted, those are video slides.

18 **Mr. Winuk:** They're video slides.

19 **Mr. Hiltachk:** So we gave you the electronic version of this.

20 **Mr. Zall:** Okay, that explains it, then, I see.

21 **Mr. Hiltachk:** So when you open up the PowerPoint, you'll see
22 the ad.

23 **Mr. Winuk:** Okay.

24 **Mr. Hiltachk:** So they would actually show the PowerPoint, at
25 these presentations that would include these

1 ads. So that's what those blank pages are.

2 Mr. Winuk: Mystery solved.

3 Mr. Hiltachk: Yes.

4 Mr. Zall: Okay, that explains that.

5 Mr. Perna: On the PowerPoint, I mean, excuse me -- on the
6 thumb drive there were --

7 Mr. Hiltachk: The videos.

8 Mr. Perna: -- there were some videos.

9 Mr. Hiltachk: Yeah, they're all on there.

10 Mr. Perna: Oh, is that, that's what, okay.

11 Mr. Zall: And now, that's what, that was part of --

12 Mr. Perna: Okay.

13 Mr. Zall: -- the presentation, basically.

14 Mr. Hiltachk: Yes.

15 Mr. Perna: Okay. Very good.

16 Mr. Zall: What, Mr. Miller, the -- so it's pretty clear
17 from this plan then that these high-end donors
18 were basically solicited to make contributions
19 to AJS for issue advocacy, as part of your plan.
20 What specific, without getting into the names,
21 what specifically was the pitch to these folks?
22 I mean, other than what's in the plan, what was
23 your or Tony's pitch, in terms, sorry, Mr.
24 Russo, what was the pitch to the donors, as far
25 as the issue advocacy running through Americans

1 For Job Security?

2 **Mr. Miller:** Well, you know, we just basically, first, we
3 would walk them through the issue advocacy
4 portion, through the issue advocacy TV ads that
5 we were planning to run. And we walked them
6 through how it was educational and all of the
7 laws that surrounded issue advocacy and that if
8 they were interested in participating in that
9 program, it was a non-reportable contribution
10 for issue advocacy. Which, you know, a lot of
11 people, obviously, went that route in
12 supporting. And then we would go through the
13 express advocacy portion of the plan. And if
14 people wanted to directly support the actual
15 initiatives that was how they did it.

16 **Mr. Zall:** And what sorts of, what sorts of any commitments
17 were made about the type of issue advocacy. In
18 other words, were they told, you know, your
19 money's going to be used in California,
20 specifically? What sorts of commitments, if
21 any, were made to, as part of the pitch?

22 **Mr. Miller:** I mean, well, what we did is we walked them
23 through the issue advocacy plan. We showed
24 them, you know, the budget, which I'm looking
25 now, it's just for recollection purposes, I

1 apologize -- of \$25 million dollars. And our
2 plan was to run -- I mean, we spent a lot of, we
3 put a lot of effort into it. Not as much me
4 but, you know, Tony and others put a lot of
5 effort into developing these really cool issue
6 advocacy ads that we planned on running.

7 **Mr. Zall:** Right. And what about --

8 **Mr. Miller:** And that was the, that was the -- go ahead.

9 **Mr. Zall:** What about the -- obviously, I'm assuming the
10 donors were either through you or Mr. Russo or
11 one of your assistants were, would have been
12 provided that, the form, the donation form, the
13 contribution form that AJS had, with the, with
14 the disclaimers? Right?

15 **Mr. Miller:** Right.

16 **Mr. Zall:** You know what I'm talking about. I don't know
17 if that's --

18 **Mr. Miller:** Yes.

19 **Mr. Zall:** Yeah, I don't know if that's in here. It's
20 probably somewhere.

21 **Mr. Perna:** It was.

22 **Mr. Miller:** Right.

23 **Mr. Zall:** But you know the one I'm talking about,
24 basically, it's a sort of a standard, somewhat
25 standard --

1 Mr. Miller: Donor form.

2 Mr. Zall: -- donor form. Did anybody --

3 Mr. Miller: Yes, sir.

4 Mr. Zall: -- ask any questions about that form and the --

5 I don't want to say necessarily conflict -- but

6 the fact that the form implies that it's wholly

7 up to AJS as to what they do with this money,

8 whereas the pitch to the donors was this money's

9 going to be used for issue advocacy in

10 California. Did that conflict ever come up?

11 Mr. Miller: No, never. The only conflicts that would ever

12 come up is that there was occasion, and I could

13 scan back to these to look through it, where

14 people would say hey, listen, I want to give

15 this money to AJS for Prop 30 or 32. And we

16 would always immediately correct them because we

17 were not raising money into AJS for express

18 advocacy purposes. We were raising money into

19 AJS for issue advocacy purposes.

20 Mr. Zall: Oh, yeah.

21 Mr. Miller: Which meant you could, you know -- and there's a

22 lot of attorneys in this room and your room

23 there that can do a much better job of stating

24 why, you know -- and issue advocacy is about

25 educating voters on the issues. You cannot say

1 vote for Prop 32, vote against Prop 30.

2 Mr. Zall: Right.

3 Mr. Miller: You have to say, you know, the unions are bad,
4 etcetera, whatever.

5 Mr. Zall: Right. So you said, I think, repeatedly, that
6 that was the plan, that's what you solicited,
7 that was what you presented to the donors,
8 that's what you and Mr. Russo intended. Did the
9 plan, was the plan ever executed, you know, in
10 the way that you anticipated?

11 Mr. Miller: The website --

12 Mr. Winuk: Can I get --

13 Mr. Miller: -- was, the --

14 Mr. Winuk: -- you to break that down into different
15 pieces, with Bob.

16 Mr. Zall: Okay.

17 Mr. Miller: So the website and social media, I believe --

18 Mr. Zall: Follow up, follow up.

19 Mr. Miller: -- was executed. The TV ads were never ran.
20 And I think in the beginning the problem was
21 really just money coming in, you know, on time
22 to actually do it. But then, it also, it became
23 an issue of, and having enough money. You know,
24 the unions were spending hundreds and hundreds
25 of millions of dollars. But I don't, you

1 know -- does that answer your question?

2 **Mr. Zall:** Well, I think, Gary, I think, wanted to follow
3 up on that a little bit.

4 **Mr. Winuk:** Well, the TV, early in the plan, it talks about
5 making a fairly substantial TV ad purchase. The
6 money was raised in about the same amount. You
7 told us that the ads were actually created with
8 Creative Consultants. So where was the point
9 the decision was made to not run the TV ads, a,
10 and then b, did you ever book the time? I know
11 you have to book the time ahead of, pretty,
12 especially in an election year, pretty far ahead
13 of schedule to get on the TV calendar, if you
14 will, to run the ads. So maybe walk us through
15 how that progressed? Whether you booked any
16 time, at what point you decided the TV ads
17 weren't going to run, and talk about that in
18 some detail.

19 **Mr. Zall:** And Mr. Miller, as part of a subset here, that
20 is, who made the decision and who was involved
21 in the decision, when it was ultimately made,
22 not to run the TV ads, as you had originally
23 planned?

24 **Mr. Miller:** Right, so I think, kind of, try to answer those
25 one at a time.

1 Mr. Zall: Okay.

2 Mr. Miller: Media buys, I don't believe so but I'm not aware
3 whether or not media buys were made. I do not
4 believe they were but I'm not 100 percent
5 confident on that.

6 Mr. Winuk: Can -- sorry to interrupt you so soon -- into
7 the multi-part question.

8 Mr. Miller: That's okay.

9 Mr. Winuk: But who, in your estimation, was responsible,
10 then, for securing the media buys?

11 Mr. Miller: Well, if it was for issue advocacy, Steve
12 DeMaura, at the end of the day, was the one that
13 was in legal control of the funds. So he would
14 have had to have been the one that made that
15 execution. And I will tell you, and I'm sure
16 you can tell through these emails, you know, I
17 dealt, most of the stuff I dealt with Steve on
18 was the fundraising portion, bringing in the
19 dollars. I was part of some of the
20 conversations with him on expenditures and how
21 to do it but most of my focus, really, was on
22 bringing in as much money as humanly possible.

23 Mr. Winuk: Right. But you did develop a plan that talked
24 about doing the media buys and your pitch to
25 donors.

1 Mr. Miller: Sure.

2 Mr. Bowers: Mr. Miller --

3 Mr. Miller: Yeah, I'm not trying to, I'm not trying to avoid
4 your question, I'm just -- yes, sir.

5 Mr. Bowers: Was the money raised entirely for TV ads or for
6 anything else besides TV ads?

7 Mr. Miller: No, we -- the issue advocacy program was going
8 to be a combination of TV and social media. And
9 we started that social media for the kind of a
10 war-room a, a web site, b -- and like I said, I
11 am not a tech guy -- but a social media effort
12 where, you know, if people started making
13 comments below some electronic newspaper filing,
14 then these people would see it and go back and
15 comment on their own site. You know, kind of a,
16 through the Twitter or through the Facebook,
17 would be about promoting the ideas of union
18 control and how it was, you know, bad for the
19 State, etcetera.

20 Mr. Winuk: Did you feel you had an obligation --

21 Mr. Miller: And the website --

22 Mr. Winuk: Sorry.

23 Mr. Miller: Go ahead.

24 Mr. Winuk: I'm sorry to interrupt you.

25 Mr. Miller: So the website did go up and the social media

1 effort did run for a while.

2 **Mr. Winuk:** What level of responsibility did you feel for
3 the donors to make sure that their money was
4 spent on the TV ads or in California?

5 **Mr. Miller:** You know, I felt our obligation to the donors
6 was to make sure we would do what it would take
7 to try to win, whether that was on issue
8 advocacy and where they were participating or
9 express advocacy. But to do everything that we
10 could to win in a legal fashion.

11 **Mr. Winuk:** But there was a lot of --

12 **Mr. Miller:** And you know, we were raising money --

13 **Mr. Winuk:** So I'm sorry, I thought you were done.

14 **Mr. Miller:** Well, that's another, there's a lot we were told
15 we were not, there's some things we were told,
16 specifically, we could not tell the donors about
17 because we're aware of a rule called the
18 one-bite, which is where a 501(c)(4) can write a
19 one-time check to a reportable committee. And
20 we were told that would be legal for an entity
21 to do that, as long as we never expressed that
22 capability to any of the donors we were
23 soliciting for this effort. So we didn't. The
24 fact is, is that -- I don't know if any of you
25 all have worked on campaigns or in

1 fundraising -- but there's a lot of trust that's
2 built up between donors and people like us that,
3 when they give the money, they're not going to
4 micromanage it. They trust that it will be
5 spent, you know, the right way to help the
6 cause, to help further the cause. You know,
7 there's an occasional donor that really get into
8 the nitty-gritty but the majority of them, it's
9 a trusting effort. So, you know, if they gave
10 us money for, you know, what they view this
11 great issue TV ads which, by the way, we had the
12 full intention at the time we were showing them
13 to run and they didn't end up running. You
14 know, I don't think we ever heard, the only
15 thing we ever heard from donors is, why are our
16 TV ads only on once every two hours and we see
17 the union's TV ads on every five minutes? I
18 mean, that was most of the, you know, calls and
19 questions we got from donors. It was, you know,
20 especially in the Bay Area where we couldn't
21 afford and, you know, but that was the big
22 questions.

23 **Mr. Winuk:** So you consider yourself to be a professional
24 fundraiser, I take it, that's --

25 **Mr. Miller:** You know, it's funny, I had not been a

1 professional fundraiser for a long time. And I
2 will not be a professional fundraiser again, I
3 can tell you that, but --

4 **Mr. Winuk:** At the time you were raising these funds,
5 though, these are some pretty substantial
6 contributors. I mean, they're writing big
7 checks. Did you have in your mind that you
8 wanted to keep kind of a long-term relationship
9 with them so, down the road, you could
10 potentially go to the well again?

11 **Mr. Miller:** Well, like I said, it's a trust built up. I
12 didn't just walk in there and meet any of these
13 people, you know, at least very few of them for
14 the first time. I don't know, you all probably
15 don't know a lot about me but I worked in
16 politics in California for a very long time. I
17 was the CFO for the State party through 2004. I
18 was, essentially, Arnold's finance chair. I did
19 a lot of fund-raising on a State level, a lot as
20 a volunteer. A lot of fundraising as a
21 volunteer over the last few years. But this
22 effort, we knew, was going to be so significant
23 you could not do it, at least I could not afford
24 to do it, strictly as a volunteer.

25 **Mr. Winuk:** But that doesn't really --

1 Mr. Miller: At least that --

2 Mr. Winuk: -- answer the question.

3 Mr. Miller: You know, the, a lot of these people are, well,
4 now, but what I'm trying to explain to you is
5 that you have a trust already built up. These
6 people, the reason why we could go do what we
7 did and why we have had the capability to go and
8 get someone to write a seven-figure check, they
9 wouldn't do that if one of you walked in the
10 room with the greatest plan in the world.
11 Because they don't know you from Adam. It's
12 about trusted relationships built over years.
13 And that is, and do I want those people to still
14 trust me to this day? Of course. Is that, does
15 that, I mean, I don't, I'm not trying to
16 avoid --

17 Mr. Winuk: Right.

18 Mr. Miller: -- your question. I just --

19 Mr. Winuk Well, you built up trust with them, as you said.
20 You valued having that trust going forward in
21 the future, correct?

22 Mr. Miller: Correct.

23 Mr. Winuk: So we --

24 Mr. Miller: For respect.

25 Mr. Winuk: -- had some emails that you gave us that talked

1 about people that had substantial questions
2 about whether their money was going to be spent
3 in California. So given those two things, back
4 to my original question, what level of
5 responsibility did you feel to those people to
6 make sure the money was spent as they intended
7 it to be spent?

8 **Mr. Miller:** Well, no, we felt, I mean, we, obviously, our
9 hope was every, all of the money we raised would
10 be spent on the efforts of the long-term plan
11 that we had put forward. I mean, you had --

12 **Mr. Winuk:** Right, but in terms of accountability what
13 level, what actions did you take or what level
14 of responsibility did you feel to make sure it
15 actually happened? I realize you hoped it but
16 I'm asking tangibly, what did you feel you
17 needed to do to make sure it happened? And
18 then, what did you do to make sure that it
19 happened, to stay on top of where the money was
20 being used?

21 **Mr. Miller:** I mean, we spoke to Americans For Job Security
22 regularly about issue advocacy. I mean, you
23 know, we spoke to a lot of people regularly that
24 were spending the money, how they were spending
25 the money and, you know, that they were spending

1 it wisely. And I participated in some of those
2 conversations, not all of them, but a lot of
3 them. And I had a lot of trust in the people
4 that were having those conversations was the
5 folks over running 32 and 30, or Steve DeMaura
6 at AJS. You know, I had to have a lot of trust
7 in them that they were doing all the right
8 things. But, you know --

9 **Mr. Zall:** Well, let's say, so --

10 **Mr. Miller:** I saw a lot of it. I didn't see all of it.

11 **Mr. Winuk:** Can I finish this up, just one second. Let's
12 just talk about AJS, specifically. You
13 mentioned --

14 **Mr. Miller:** Sure.

15 **Mr. Winuk:** -- so you or someone else had conversations with
16 them. Try and give us maybe a little more
17 specifics about who was talking to who, the
18 nature of those conversations, and when they
19 took place, about accountability for the money.

20 **Mr. Miller:** Well, I mean, I don't know that, I'm going to
21 phrase it my language as opposed to legal --

22 **Mr. Winuk:** Sure

23 **Mr. Miller:** -- language because how, the conversations we
24 had was, I approached Dave Carney. And when we
25 were searching for someone out of state, as I

1 mentioned, I said hey, do you know of an issue
2 advocacy committee, or a 501(c)(4), that would
3 be willing to do issue advocacy in California
4 that would be willing to, you know, pick this
5 fight. And at some point was introduced to
6 Steve DeMaura. I introduced Tony Russo to Steve
7 DeMaura. Steve's, I mean, you know, you meet
8 the guy, you know, you won't probably know.
9 When you meet somebody you can kind of judge
10 their character pretty quick. And he seemed
11 like a great stand-up guy. He was all for it.
12 He's definitely a center-right guy. And, you
13 know, we talked to him about what we would like
14 to do and we talked to him about how we would
15 like to raise money and get his committee to do
16 it and he agreed.

17 **Mr. Winuk:** I think that avoided my question entirely,
18 honestly. You know, you --

19 **Mr. Miller:** Okay.

20 **Mr. Winuk:** -- have an immunity agreement so I think you're
21 going to have to start listening to the
22 questions --

23 **Mr. Miller:** Hey, I'm not --

24 **Mr. Winuk:** -- a little more closely.

25 **Mr. Miller:** Okay, and I apologize. I'm not trying to avoid

1 any, I mean, we --

2 **Mr. Zall:** Yeah.

3 **Mr. Miller:** -- talked to him, here is what we would like to

4 do. Would you be willing to do this?

5 **Mr. Zall:** Mr. Miller --

6 **Mr. Miller:** He said yes.

7 **Mr. Zall:** -- I think, I think what Gary is really trying

8 to get to though is that, whatever your

9 understanding was in the beginning, it didn't

10 happen. It didn't happen the way that you

11 pitched it to the donors and it didn't happen

12 the way --

13 **Mr. Miller:** Right.

14 **Mr. Zall:** -- that you guys planned it. Something changed.

15 **Mr. Miller:** Right.

16 **Mr. Zall:** And what Gary's trying to get at is, did you

17 have conversations with Mr. Carney or

18 Mr. DeMaura? For example, did you say hey,

19 where are the issue ads? Oh, you're not running

20 issue ads? Well, what are you doing with the

21 money I raised? I mean, did these kinds of

22 conversations take place? And if so, who did

23 you talk to and what --

24 **Mr. Miller:** Understood.

25 **Mr. Zall:** -- were the conversations? That's really what

1 we're trying to get at.

2 **Mr. Miller:** Okay, I understand and I apologize.

3 **Mr. Zall:** It's all right.

4 **Mr. Miller:** Yeah, I know, at some point, Steve started to
5 address a reluctance of doing Issue ads because
6 we were closing in on the 60-day period. And as
7 I had mentioned, we were aware of the legal
8 avenue of a one-bite which, obviously, never
9 happened. And at those same time, obviously,
10 there were conversations with other groups that
11 I was not a part of that expressed an interest
12 in supporting our efforts here in California.
13 And so, you know, from my purpose, do I ever
14 call Steve and say hey, why aren't you running
15 TV ads, no. It was an ongoing process that I
16 was part of some of those conversations, not all
17 those conversations. I don't -- I'm not trying
18 to dodge the question. I'm trying to really
19 just recollect exactly how that all played out.
20 But at what point that decision was made, I
21 don't recall. Obviously, the hope was that yes,
22 we would do issue advocacy. The decision was
23 made, at some point. I think Steve became
24 uncomfortable with it as we got into the 60-day
25 period. But at that point, though, from my

1 perspective, I still believed that the one-bite
2 was a great potential for us. Where Steve could
3 write one check one time to California to a
4 reportable committee and it would be 100 percent
5 legal, as long as we had not briefed the
6 attorneys on any of it, briefed the donors, I
7 apologize, on any of it.

8 **Mr. Winuk:** So let's back up a little bit for some of what
9 you just said. The 60-day period you're talking
10 about is the 60 days before the election,
11 correct?

12 **Mr. Miller:** Correct.

13 **Mr. Winuk:** You mentioned that you don't have full
14 recollection of each and every conversation.
15 With as much specificity as you remember, time,
16 who was involved, what was said, please tell us
17 about every conversation you can recall that
18 deals with either using it as a first bite or
19 the decision to no longer be using it for the
20 television ads? I realize memories are limited
21 and dates are hard and all that, so just give us
22 the best you can.

23 **Mr. Miller:** Yeah, I'm not, I --

24 **Mr. Winuk:** But we're interested in every single one.

25 **Mr. Miller:** And I'm kind of hoping maybe there's some stuff

1 that's going to help me remember in these emails
2 but --

3 **Mr. Winuk:** And if you want to take a minute to look through
4 them, I mean, by all means.

5 **Mr. Miller:** You know, I mean, this, as I'm trying to make,
6 is, you know, you're asking me and I'm -- that's
7 why I'm trying to be helpful here. You're
8 asking me at what point Steve decided that, and
9 Steve started to think that issue advocacy and
10 TV ads, he didn't want to put up. And I do not
11 recall, and I'm --

12 **Mr. Winuk:** Well, I think my question's a little bit broader
13 than that.

14 **Mr. Zall:** Broader than that, yeah.

15 **Mr. Winuk:** It's any --

16 **Mr. Miller:** Right.

17 **Mr. Winuk:** -- any conversation --

18 **Mr. Miller:** Well, I --

19 **Mr. Winuk:** -- you can recall --

20 **Mr. Zall:** Yeah, right.

21 **Mr. Winuk:** -- who and when and the nature of the
22 conversation regarding those two topics. Any
23 one you can recall. Take your time. Whichever,
24 you know, one at a time, with each of those
25 issues?

1 Mr. Hiltachk: It might be easier if you just asked him about a
2 person and said, tell me about your
3 conversations with Tony Russo about this issue?
4 Mr. Winuk: My problem with that Tom, is I don't know who --
5 Mr. Hiltachk: Yeah.
6 Mr. Zall: Yeah.
7 Mr. Winuk: -- I don't know who's making the decisions.
8 Mr. Miller: Yeah, and I'll just, I'll tell you, and I'm not
9 trying to avoid the question. I was not,
10 although I was aware of some of the ad of the
11 issue on the spending side, of what was going on
12 on the spending side, that was not my main
13 involvement. My main involvement was
14 fundraising. And so that I would be aware of
15 this, I would talk to Steve, occasionally. That
16 was not, I was singularly focused on bringing in
17 the money so I'm not trying to avoid it. You're
18 asking me to recall things that I was part of a
19 conversation of, not a --
20 Mr. Zall: Okay, let --
21 Mr. Miller: -- fully and --
22 Mr. Zall: -- let, let me, all right. Let me say --
23 Mr. Winuk: But, all I'm asking you to do is do the best you
24 can.
25 Mr. Zall: Yeah. What about this? What about this, you

1 know?

2 **Mr. Miller:** But I want to be honest here.

3 **Mr. Zall:** Without, you know, keep Gary's question in mind
4 but, so you say you were not, you would not,
5 necessarily, have been a party to those
6 conversations. But, you know, you knew, you
7 know who all the players were here, in terms of
8 this money --

9 **Mr. Miller:** Absolutely.

10 **Mr. Zall:** -- and what the plan was. So then, give us --

11 **Mr. Miller:** Absolutely.

12 **Mr. Zall:** -- the names. Who would it have been? Would
13 Mr. DeMaura, himself, have been able to make a
14 decision? No, I know he raised \$28 Million
15 dollars from California donors for issue ads but
16 I'm going to spend the money in Texas. Could he
17 have done that on --

18 **Mr. Miller:** Yeah, he --

19 **Mr. Zall:** -- his own?

20 **Mr. Miller:** Legally, could he have, yes.

21 **Mr. Zall:** No, would he have done that?

22 **Mr. Miller:** Do I think he would have, no.

23 **Mr. Zall:** Okay. So who then --

24 **Mr. Miller:** No, I do not think he would have.

25 **Mr. Zall:** Who would he have --

1 Mr. Miller: Tony and me, Tony --

2 Mr. Zall: Yeah, I'm sorry, go ahead.

3 Mr. Miller: He would have spoke to Tony, he would have spoke
4 to Tony Russo or myself.

5 Mr. Zall: Okay, Tony or you?

6 Mr. Miller: Yeah.

7 Mr. Zall: Is there anybody else that would have
8 necessarily, just generally -- I'm not talking
9 about what you necessarily remember,
10 specifically.

11 Mr. Miller: No, there's, there's no one else -- Steve may
12 have had internal people he had discussions with
13 that I'm not aware of, but no.

14 Mr. Zall: But who would have -- so it would have just been
15 Steve DeMaura. So this \$28 Million and how it
16 would have been spent, it would have been Steven
17 DeMaura and you or Mr. Russo? Well, what about
18 Mr. --

19 Mr. Miller: Yes, sir.

20 Mr. Zall: -- what about Mr. Carney? Would he have been a
21 party to a conversation --

22 Mr. Miller: Yeah.

23 Mr. Zall: -- regarding a change in plan, as far as
24 spending the money?

25 Mr. Miller: I think maybe Carney participated in one or two

1 or three conversations the whole time.

2 **Mr. Zall:** All right.

3 **Mr. Miller:** I think he had an opinion on who was going to be
4 used for the media buying for the Issue
5 Advocacy. I mean, Carney, obviously, introduced
6 us. Went and had dinner one time with Carney
7 and DeMaura. I have known Dave Carney for
8 years. But I do not recall -- I'm not stating
9 this for a fact -- but I do not recall him being
10 involved on a regular basis in any of those
11 discussions.

12 **Mr. Zall:** Okay. So I get --

13 **Mr. Miller:** He was, I, yeah, I do think he had an opinion.
14 What I remember is, the only opinion I remember
15 Carney having was who the media buyer would be.
16 I think there was one preferred media buyer that
17 Tony Russo had suggested and Dave Carney liked
18 a different media buyer, Crossroads, I believe
19 it was called.

20 **Mr. Zall:** But, wait, okay. So I guess this is what I'm
21 having trouble with, on my end, is that you
22 would agree that this was a substantial amount
23 of money that was raised from these California
24 donors. Is that fair?

25 **Mr. Miller:** Yes, sir.

1 Mr. Zall: Okay.

2 Mr. Miller: Yes, sir.

3 Mr. Zall: And there was a plan that you presented and you
4 just stated that the, really the people that
5 were at the core of executing this plan were
6 Mr. DeMaura, Mr. Russo and yourself. Is that
7 true?

8 Mr. Miller: When it comes to the issue advocacy portion,
9 yes, sir. When it comes to AJS --

10 Mr. Zall: Spending the money that was --

11 Mr. Miller: Yes.

12 Mr. Zall: -- raised through AJS? Okay, but --

13 Mr. Miller: Yes, sir.

14 Mr. Zall: -- we all know that somewhere, at some point, as
15 you've stated, the plan changed from doing issue
16 ads to doing something else with the money. Is
17 that true?

18 Mr. Miller: Correct, yes, sir.

19 Mr. Zall: Okay. And I guess what we're getting, trying to
20 get at, is it seems unlikely, given the small
21 group, that you were not involved in the
22 machinations of that change in the plan. But,
23 again, I'm not suggesting anything untoward on
24 your part. I'm just --

25 Mr. Miller: Yeah --

1 Mr. Zall: -- asking you, can you see why that seems --
2 Mr. Miller: Whether or not I am --
3 Mr. Zall: -- yeah, could you see why that seems --
4 Mr. Miller: Of course, of course.
5 Mr. Zall: Okay.
6 Mr. Miller: You know, of course, and I'm a 100 percent
7 confident I will, I was always aware -- but you
8 know, for you, you all want to ask me to recall
9 very specific things which was not my biggest
10 singular focus.
11 Mr. Zall: Okay, well, then --
12 Mr. Miller: So I'm not --
13 Mr. Zall: -- what about generally? What generally do you
14 recall, in terms of --
15 Mr. Miller: Well, that's what I was trying to say.
16 Mr. Zall: Okay.
17 Mr. Miller: At some point, Steve became uncomfortable with
18 the idea of doing issue TV ads.
19 Mr. Zall: Okay.
20 Mr. Miller: During that same time, Tony had had some
21 conversations where Sean Noble had expressed
22 some interest in supporting our efforts here in
23 California. And I think there was a hope for
24 him to support us and that's, obviously, where
25 it came to which, I think, was what you are all

1 interested in, is at what point did we encourage
2 Steve to make a contribution to CPPR?

3 Mr. Zall: Right.

4 Mr. Miller: I believe, or one of those deals.

5 Mr. Zall: Right.

6 Mr. Miller: In the hopes that, in the hopes that Sean -- you
7 know, from what we knew and what we expected,
8 you know, everybody knows what the, what that
9 network is all about. They were raising
10 hundreds and hundreds of millions of dollars
11 around the country to do all sorts of things.
12 But I know, we were hoping is if we wrote a
13 check to help them on things some, on the
14 national level, they would be able to find --
15 because I assume this is, like, what you're
16 trying to all get to is the crux of this issue?
17 So I'm just being forefront here, is they would
18 then find some money in some other committees
19 that they could hopefully support our efforts.
20 And is that what you're trying to get to?
21 Because was I, was I involved in those ideas and
22 that, yes. Was I briefed on that, yes. Was I
23 involved in the, and do I recall every minute
24 when we decided what we were going to do with
25 x-amount of expenditures? I do not recall that.

1 And I can go back and spend a lot of time trying
2 to figure that out but no. But I -- does that
3 help?

4 **Mr. Zall:** Yeah, I think, yeah, we got some follow up on
5 that, but yeah, that gives us a start. So --

6 **Mr. Winuk:** Bob, why don't you follow up.

7 **Mr. Perna:** You mentioned Crossroads Media and there's a
8 lady by the name of, the president, Patti Heck,
9 and in August, she was, there was communications
10 between yourself and Mr. Carney and Mr. Miller
11 and Mr. DeMaura and --

12 **Mr. Miller:** What, let, what page number are you looking at?
13 Could you help me on that on here, on the bottom
14 right?

15 **Mr. Perna:** Let's see, it's 618

16 **Mr. Bowers:** 618.

17 **Mr. Miller:** Is that Miller 618?

18 **Mr. Perna:** Yes, uh-huh, yes.

19 **Mr. Miller:** Mine only goes up to Miller -- unless I'm not
20 looking at it right here, oh, okay, never
21 mind -- Miller 618.

22 **Mr. Zall:** Somebody's taking off.

23 **Mr. Miller:** Yeah, and that was, Patti Heck was at
24 Crossroads, which was the team that we had
25 talked about using for the media buys for the

1 issue advocacy program.

2 **Mr. Perna:** Right. And then you can see that Mr. Carney's
3 involved and Mr. DeMaura's involved, and you,
4 too. And that's as, you know, in August.

5 **Mr. Miller:** Yeah, I mentioned that that, right, and I had
6 mentioned that was, what I recall, was Dave
7 Carney's involvement, was on who we used for a
8 media buy, for a media buying team or firm,
9 whatever you call them.

10 **Mr. Perna:** And even as far back as August 14th, which is
11 Miller 146, Miller 147, where Ms., where
12 Crossroads Media is tracking the No on 32
13 activity, just keeping you informed, at that
14 point in time. And so, you knew what they were
15 doing, which I assume you were going to use for
16 your planning for your media buys and for your
17 side of the campaign. Is that correct?

18 **Mr. Miller:** Yeah, of course, you start tracking what they're
19 doing so you can build your own plan around it.

20 **Mr. Perna:** Right. And then, so, and your plan was,
21 again -- if you go back to your communication
22 plan on Issue Advocacy, it shows June through
23 October, television buys of \$18 million dollars.

24 **Mr. Hiltachk:** September to October.

25 **Mr. Perna:** Oh, excuse me, September through October, excuse

1 me, \$18 million dollars. So the issue, the
2 issue ads that you were planning to buy, the TV
3 ads would have been to further your cause, at
4 that point in time, right?

5 **Mr. Miller:** Right.

6 **Mr. Perna:** Okay. I think that's all I have.

7 **Mr. Winuk:** So, let's circle back then to the issue we were
8 talking about. Just one at a time -- yeah, go
9 ahead.

10 **Mr. Miller:** I'm just grabbing a bottle of water. I'm right
11 here.

12 **Mr. Winuk:** Yeah, no problem. Back to the topic we were
13 discussing, which was the decision to no longer
14 do the TV ads, you mentioned you weren't, your
15 focus was on fundraising. But, again, I would
16 like you to just walk through every specific
17 instance you can recall about discussions you
18 were part of or participated in or even heard
19 about. Who was involved in those, to the best
20 of your recollection. What the topic was
21 discussed, to the best of your recollection.
22 And the approximate time frame or exact time
23 frame, if you have it. So maybe you can walk
24 us, one by one, through the very specifics of
25 that, as best as you can recall.

1 **Mr. Miller:** I would, yeah, I mean, outside of kind of what I
2 told you where I recall -- to give you exact
3 dates or time frames, I won't recall but,
4 obviously, since it was, since Steve became, I
5 remember Steve became hesitant about running
6 issue advocacy TV ads within the 60-day period,
7 that's when those conversations started to
8 evolve. And I believe all of those
9 conversations really were limited to, when it
10 came to Americans For Job Security, Tony Russo
11 and Steve and myself. Dave Carney may have been
12 a part of some of those conversations but, as I
13 said, I recall Dave Carney, most of his
14 participation was strictly in the media buyer,
15 who we used as the media buyer.

16 **Mr. Zall:** What about, you mentioned Mr. Noble, what
17 about -- were you, did you become aware, or were
18 you a party to any conversations with Mr. Noble
19 about a different plan, in terms of using this
20 money that you guys had raised?

21 **Mr. Miller:** No, as I said, I never spoke to Steve, or to
22 Sean Noble.

23 **Mr. Zall:** Okay. But I asked also --

24 **Mr. Miller:** I literally --

25 **Mr. Zall:** -- if you became, if you became aware of any

1 conversations that Mr. Noble might have had --

2 **Mr. Miller:** I was --

3 **Mr. Winuk:** Okay.

4 **Mr. Miller:** I was absolutely aware that Tony was, Tony Russo

5 was speaking to Sean Noble. As I had mentioned,

6 Sean Noble, early on, had offered and was paying

7 for a lot of our research. And that was

8 through, you know, I know, but those discussions

9 were all had -- I were not, I was not party to

10 any of those specific conversations with Noble.

11 **Mr. Zall:** Okay. Go ahead.

12 **Mr. Bowers:** Mr. Miller, you said, at one point, you became

13 aware that Steve DeMaura became reluctant, that

14 he became hesitant. Did you become aware of

15 that directly from him or through another

16 source?

17 **Mr. Miller:** Well, it would have been either from him or from

18 Tony Russo. It wouldn't have been, I don't

19 think I would have become aware of that from

20 anyone else.

21 **Mr. Bowers:** Okay. And if you heard it from him, what do you

22 recall him saying, or expressing about

23 reluctance or hesitancy to do the issue ads?

24 **Mr. Miller:** My recollection on it had to do with, because

25 the laws are, obviously, as you all know, so

1 different in every state, so different on the
2 federal level, that his hesitancy had to do with
3 the legality of running issue advocacy within
4 the 60-day period, which I believe we then put
5 some of our attorneys on the phone with him to
6 explain to him that it was legal here in
7 California. But I believe that was where he
8 began to express his hesitancy.

9 **Mr. Bowers:** Okay. And it sounds like --

10 **Mr. Miller:** Does that answer your question?

11 **Mr. Bowers:** Yeah, it does. And it sounds like, if you put
12 your lawyers on the phone with him, that that
13 didn't change his mind. In other words, did
14 that have any effect when he --

15 **Mr. Miller:** Yeah, I know, and that, that's a good question.
16 I don't know the answer to that. I don't, I
17 mean, we, obviously didn't run any of these
18 issue TV ads so --

19 **Mr. Zall:** Let me ask you this, Mr. Miller.

20 **Mr. Miller:** Whether or not, whether or not our attorneys
21 made him -- were able to make him more
22 comfortable on the phone with the idea of doing
23 issue advocacy, I'm not being flip here, I don't
24 recall.

25 **Mr. Zall:** Do you recall a sort of a, whether it was a

1 meeting, a conference call, where a decision was
2 ultimately made -- okay, you know, I'm
3 paraphrasing here -- the hell with the issue
4 ads, let's do this? Do you recall, I mean,
5 because what, I mean --

6 **Mr. Miller:** I don't know if there was --

7 **Mr. Zall:** -- I guess that's what I'm getting at, was there
8 a specific decision made?

9 **Mr. Miller:** Yeah. I don't know if there was a specific
10 conversation or an idea that developed over time
11 where it was decided okay, you know, we're not
12 going to be able to do this. As I mentioned,
13 you know, let's write a check to wherever and
14 hope that they'll have other money that they can
15 send out here that can be used for the fight.

16 **Mr. Zall:** Okay, well --

17 **Mr. Miller:** And I mean, really, I always, I always expected,
18 at some point, we would be able to use that
19 one-bite out of Americans For Job Security to
20 bring a reportable check out here. But,
21 obviously, as the whole Sean Noble fiasco began
22 everybody, obviously, became very hesitant on
23 even doing the one-bite. So and became more and
24 more hesitant as the Noble issue went on.

25 **Mr. Zall:** All right, what do you mean exactly by the Sean

1 Noble fiasco, I guess?

2 **Mr. Miller:** Well, when he, when he, well, there was, I don't
3 know, Gary, was that you where he sent a letter
4 saying --

5 **Mr. Winuk:** With what?

6 **Mr. Miller:** -- he laundered money. I mean, that's kind of a
7 fiasco in our world so, I'm not being flip,
8 that's a pretty big deal. And that was not our
9 understanding, ever, and although I did not
10 participate in those conference calls with
11 Noble, I know that that was never an
12 understanding and that, obviously, was the
13 fiasco I'm referring to, is that where, you
14 know, all of a sudden that, you know, when the
15 Attorney General's Office and the FPPC starts
16 looking at what you're doing because somebody
17 says there was money laundering involved, that
18 makes everyone a little gun shy, right?

19 **Mr. Zall:** So you say, so you said that your, you used the
20 word hope a couple of times, that your
21 understanding was that you guys, that the new
22 plan was to send some of this money to Sean
23 Noble's organization with the hope that he would
24 use it in California?

25 **Mr. Miller:** Yes, sir.

1 Mr. Zall: I mean, with all --

2 Mr. Miller: That he would, that he would find --

3 Mr. Zall: -- with all due respect, with all due respect to

4 you, Mr. Miller, I guess, was that really what

5 we're talking about here? There was just the

6 hope that --

7 Mr. Miller: Well you couldn't --

8 Mr. Zall: Mr. Noble would move, use the money in

9 California?

10 Mr. Miller: Yeah, no, I --

11 Mr. Zall: I mean, after all, the donors --

12 Mr. Miller: -- I'm not --

13 Mr. Zall: -- the donors were, the money was raised from

14 California --

15 Mr. Hiltachk: Let him answer the question.

16 Mr. Zall: Sorry, go ahead.

17 Mr. Miller: Yeah, I'm not, I'm not avoiding your question at

18 all --

19 Mr. Zall: Okay.

20 Mr. Miller: -- because we were constantly briefed by our

21 attorneys on what we could legally say, what we

22 couldn't say when we briefed these donors. So,

23 yes, Sean could never give us a guarantee,

24 legally, that he would find other money to send

25 to us. So, yes, no matter how crazy it might

1 sound, we had to hope -- and I'm not being flip
2 about this, I'm not --

3 Mr. Zall: Okay.

4 Mr. Miller: -- I'm not, Mr. Zall, I'm not trying to avoid
5 your question. Legally, as we were briefed, we
6 had to hope that he would find other money to
7 send our way because we were running out of
8 options. We were getting our frickin ass
9 kicked --

10 Mr. Zall: All right.

11 Mr. Miller: -- by being outspent five, six to one --

12 Mr. Zall: Right.

13 Mr. Miller: -- up and down the state. We were getting
14 outgunned on the ground a 100 to one. So, yes,
15 we knew we couldn't get any legal guarantees
16 from Sean on what he could do. So I'm not
17 being, I'm not trying to avoid your question.

18 Mr. Zall: Yeah.

19 Mr. Miller: We hoped he would find other money to send out
20 here.

21 Mr. Zall: Right.

22 Mr. Miller: That is what we hoped.

23 Mr. Zall: Okay.

24 Mr. Miller: And in politics, you do that a lot.

25 Mr. Zall: Right.

1 **Mr. Miller:** Where, you know, use a completely different
2 example. You know, you go campaign for a
3 congress member in hopes that he'll support your
4 congress member, or whatever. You know, it's,
5 there's not, there's no, and maybe that's a bad
6 analogy but no, because that, the only thing we
7 could do was hope. Because you, we could not
8 legally have any kind of binding agreement on
9 that.

10 **Mr. Winuk:** So when and how did you first become aware that
11 money was going to be moved from AJS to CPPR?

12 **Mr. Miller:** Early/late Fall.

13 **Mr. Zall:** How did you learn about --

14 **Mr. Miller:** And I'm sorry if that's not specific enough for
15 you. My understanding is there was some, there
16 were conversations with Sean Noble that I wasn't
17 a part of, where he expressed an interest in
18 supporting the efforts out here and --

19 **Mr. Winuk:** Who told you about --

20 **Mr. Miller:** And that's when, that's how that occurred.

21 **Mr. Winuk:** -- the conversations with Sean?

22 **Mr. Miller:** Tony Russo.

23 **Mr. Winuk:** And what did he tell you about what was going to
24 happen?

25 **Mr. Miller:** That he thought, and it's, and as I said, Sean

1 had been participating in our process by
2 underwriting the focus groups and the op
3 research all along and that Tony thought that
4 and believed that, you know, we could probably,
5 we could help send money to their national
6 organization and that they would be able to
7 hopefully find separate dollars to support our
8 efforts in California. And I'm paraphrasing the
9 conversations but --

10 **Mr. Winuk:** Right. When you said we, though --

11 **Mr. Miller:** -- that was the just of it.

12 **Mr. Winuk:** -- that we could send money, who do you mean
13 by we?

14 **Mr. Miller:** Meaning, Americans For Job Security. I mean, if
15 Americans For Job Security made a contribution
16 to one of their national committees and, you
17 know, I will tell you, and we all read the
18 papers. We all knew that the network there that
19 Sean Noble was running was raising and spending
20 hundreds of millions of dollars. It's the idea
21 that we could write a check somewhere and they
22 would use that in Ohio and they could go, hope,
23 they could go find some separate money to come
24 support our efforts out here didn't seem really
25 out of the realm of possibility at all.

1 **Mr. Zall:** So, I mean, it was -- and I'm not trying to be
2 flip, it was, it was, it was a game required by
3 the legal rules. Is that what you're
4 suggesting? In other words, you give money,
5 they had some other money, they would use your
6 money but it really wouldn't be your money. It
7 would be somebody else's money to get around the
8 rules? Is that fair?

9 **Mr. Miller:** Well, I mean, we purposely in counsel with our
10 attorneys the entire time on how we could do it
11 and what we could do. And the answer to that
12 was when we decided we would, we wanted to, you
13 know, encourage whatever, ask Steve to write a
14 big check to the national level, that because
15 legally we could not move that money out here
16 for how we needed it, that then this, Noble
17 would find other money for us. You can call
18 that whatever you want. But, you know, I don't
19 know really how to answer the question, other
20 than that. We hoped that, you know, when we
21 gave him that money -- whatever the amount of
22 money total was, \$20-something million, I
23 think -- we hoped he would find other money to
24 send out to California. And you know, I'm not
25 going to -- you can use whatever terminology you

1 want but that's what we were doing.

2 **Mr. Bowers:** When you said just now that the money couldn't
3 be spent how you needed it, does that mean it
4 couldn't be spent legally or it couldn't be
5 spent, in terms of what the campaign demanded,
6 at that point in time?

7 **Mr. Miller:** That's a good question. Yeah, I know that Steve
8 decided not to use -- hesitancy, I don't know
9 when the decision was not to. But I'm saying, I
10 know he expressed hesitancy on using the issue
11 ads, the money for TV issue advocacy and like
12 I've stated quite a few times here, in my mind,
13 that's why I always thought the one-bite was a
14 good possibility, when we could ask Steve to
15 write a one-time check out to California. And
16 we, so we could use it for express advocacy
17 purposes. So, I mean, would it have done us any
18 good, at that point, if Steve was expressing
19 hesitancy on doing TV issue ads? I mean, you
20 know, all that money that we've helped Steve
21 raise, not come to California? Well, no. And
22 we were, you know -- so I'm not sure if I'm
23 answering your question or not or if I'm
24 rambling here but --

25 **Mr. Zall:** Well, I guess the -- so it sounds like that as

1 you, the phrase you used was you guys, there was
2 some conversations with Mr. Noble and the hope
3 was that if you gave him some money he would
4 find a way to, find a way legally, to use the
5 same amount of money but maybe from another
6 source, in California. Is that, is that fair?

7 **Mr. Miller:** That, our hope was that, you know, he would
8 find, they had had so much money they had out
9 there that, yes, he would find separate money
10 out there in his huge network that would be
11 willing to come in and support our efforts here
12 in California. Not even --

13 **Mr. Zall:** And you.

14 **Mr. Miller:** I'm confident there was never even a dollar-for-
15 dollar conversation. It was strictly, you know,
16 we're going to send X and we're hoping they'll
17 send a significant amount of money out here for
18 the effort.

19 **Mr. Zall:** And did that change? Was that ever disclosed to
20 any of the donors that, hey, we're now sort of
21 in a, in the hope phase? We can't tell you that
22 your money is going to be used in California.
23 Now, we're just hoping and we're relying on
24 Mr. Noble and he's, his good graces to use your
25 money in California. Did you ever talk to any

1 of the donors about that?

2 **Mr. Miller:** I don't believe I ever spoke to any of the

3 donors about that. I don't believe I did.

4 **Mr. Zall:** I mean, what about --

5 **Mr. Miller:** That they would see what's going on -- when the

6 Sean Noble, when the Sean Noble press started to

7 come out, you know, obviously, we thought he was

8 going to come back and tell the truth. So I'm

9 sure some donors were stressed. I don't recall

10 any specific conversations. But I was thinking

11 as I came, we have done -- any conversations we

12 had with donors were around the fact that, hey,

13 listen, we've done everything legally and we're

14 doing everything we can to win this fight out

15 here.

16 **Mr. Zall:** Okay, so --

17 **Mr. Winuk:** Can Bob ask about the --

18 **Mr. Zall:** Yeah, go ahead, sure.

19 **Mr. Zall:** Go ahead. I'm sorry.

20 **Mr. Perna:** The first transfer from AJS to CPPR occurred on

21 September 10, and that was for \$4,050,000. So

22 based on what you already said, that your hope

23 was that Mr. Noble would find a way to get, have

24 that money used in California, for California

25 purposes.

1 Mr. Hiltachk: That's not how he testified.

2 Mr. Hanly: I think we're talking about separate money,
3 right? He's, I think what he's saying --

4 Mr. Miller: Yeah, no I, I don't --

5 Mr. Hiltachk: I think what he's saying -- clarify that, Jeff,
6 that it's not the same money going out and
7 coming back?

8 Mr. Miller: Right. Our --

9 Mr. Hanly: If that's accurate?

10 Mr. Miller: -- our hope, again, and I mean, I'm, we
11 hoped -- listen, you all have read as many
12 papers about the Koch brothers as everybody has,
13 right? You knew they had this massive network
14 out there, around the country, raising hundreds
15 of millions of dollars for all sorts of
16 right-of-center efforts. Our hope was that we
17 could send them money and they would use that
18 money for purposes -- whether that was in Ohio
19 or New Jersey or wherever -- and that they would
20 find separate money that, hopefully, they could
21 support our efforts out in California.

22 Mr. Perna: Okay.

23 Mr. Miller: That was our hope.

24 Mr. Perna: Okay.

25 Mr. Miller: Never to use our money to come back to

1 California.

2 Mr. Perna: Okay.

3 Mr. Zall: But that, but Mr. Miller, you acknowledge that's
4 directly contrary to what you told these high-
5 end donors? Right? Because the high-end donors
6 were told that their money would be used for
7 issue advocacy in California. In fact, and we
8 have an agreement not to talk, specifically,
9 about a lot of the donors but some of the donors
10 that we identified on our own -- for example,
11 Mr. Haas, I believe his first name was Gene, his
12 folks were --

13 Mr. Miller: Yes, sir.

14 Mr. Zall: -- were very persistent with you and Mr. Russo
15 that they wanted commitments that the money
16 would be used in California. And it does seem
17 that commitments were made to Mr. Haas. So you
18 acknowledge that this did -- okay.

19 Mr. Miller: I never, well, I never had a conversation with
20 Gene Haas during the campaign.

21 Mr. Zall: Okay. So that would be Mr. Russo?

22 Mr. Miller: So I can't speak to that.

23 Mr. Zall: That would be --

24 Mr. Miller: Yes, sir.

25 Mr. Zall: -- Mr. Russo then? Okay.

1 Mr. Miller: Yes, sir.

2 Mr. Winuk: -- keep going Bob.

3 Mr. Perna: On the \$4,050,000 that was transferred from AJS
4 to CPPR on September 10, what you have already
5 said is that your hope was that it would be used
6 in, to further the efforts of why the money was
7 raised, which was for California, either issue
8 advocacy or express advocacy?

9 Mr. Winuk: Well, actually the hope was that --

10 Mr. Perna: That they --

11 Mr. Hiltachk: -- more money would, money would come back if he
12 gave it to CPPR.

13 Mr. Perna: Right, okay.

14 Mr. Miller: Right.

15 Mr. Perna: Okay, so on, so September 13th, CPPR gave that,
16 gave \$4,080,000 to --

17 Mr. Zall: No they didn't.

18 Mr. Miller: Are you all looking at a document I can
19 reference here?

20 Mr. Zall: Yes.

21 Mr. Miller: I mean, I--

22 Mr. Perna: I'm sorry, I'm, I was wrong when I said that.
23 On --

24 Mr. Miller: And then, now, are you looking at a document
25 that I can reference right now?

1 Mr. Perna: No.

2 Mr. Miller: Or not?

3 Mr. Perna: No, I'm not, no, I'm not.

4 Mr. Miller: Okay.

5 Mr. Perna: It's a different, a different committee. I'm
6 sorry.

7 Mr. Zall: Well, he has the ledger, right? Don't you have
8 the ledger of the outgoing from AJS?

9 Mr. Perna: He has that one but I'm --

10 Mr. Zall: So you have that. So you have, you have the
11 document that shows that the first transfer from
12 Americans For Job Security to CPPR was on
13 September 10th.

14 Mr. Miller: Yes, I'm looking at it right now.

15 Mr. Zall: And which was \$4,050,000. And I think Bob has
16 some questions related to another entity who
17 received a similar amount.

18 Mr. Perna: Right, exactly.

19 Mr. Zall: Go ahead, Bob.

20 Mr. Perna: So on September 13, a committee was qualified
21 here in California, called California Future
22 Fund. The money to California Future Fund came
23 from American Future Fund. And the amount that
24 they received, that California Future Fund
25 received from the American Future Fund was

1 \$4,080,000. And it's three days, these
2 transactions were happened, three days after
3 CCPR got the money from AJS. What do you know
4 about any connection between the \$4,000,000 that
5 went from AJS to CPPR and the money that went to
6 California Future Fund from American Future
7 Fund?

8 **Mr. Miller:** I think, kind of back to what I had said at the
9 very beginning, when we were -- and I don't, you
10 know, tell me what more specifically I can tell
11 you, other than I know that we discussed sending
12 money to Noble and we hoped he would send money
13 out here. I was not involved in the discussions
14 of the AFF, the AFF and the CFF, or whatever
15 it's called. I heard about it, I was aware of
16 it, I was not involved in those discussions.
17 But, or when the, when CFF maybe received the
18 money. But, like I said, under the advice of
19 attorneys, we were very clear on how we handled
20 that to say, hey, listen, we're going to send
21 money to Sean in hopes that he can find separate
22 money to send out here. So --

23 **Mr. Zall:** So, let me ask you this, then. Did you know, or
24 did you become aware of, the details, I guess,
25 is what I think Bob is trying to get at. Or was

1 it more that you knew that this money was going
2 to Noble and the mechanism by which Noble found
3 a way to get similar monies to aid the effort in
4 California was left up to Noble? How, I guess,
5 how much detail --

6 **Mr. Miller:** Yes, sir.

7 **Mr. Zall:** -- did you and Russo and DeMaura know about the
8 details of how Mr. Noble was going to make
9 happen --

10 **Mr. Miller:** Right.

11 **Mr. Zall:** -- what you hoped would happen?

12 **Mr. Miller:** And from my, from my perspective, I was not
13 aware of what other entities he would approach
14 to write checks to California.

15 **Mr. Zall:** Okay. So is that, I mean, is, are you,
16 basically, saying that, as far as the details of
17 how Mr. Noble was going to make what you hoped
18 to happen happen, you were not aware of those
19 details?

20 **Mr. Miller:** Right. Obviously -

21 **Mr. Zall:** It's a --

22 **Mr. Miller:** -- we found out about it after the fact.

23 **Mr. Zall:** After the fact.

24 **Mr. Miller:** Right, and yes, sir.

25 **Mr. Zall:** But Noble, to your recollection --

1 **Mr. Miller:** Once the committee was --

2 **Mr. Zall:** Noble, you do not recall Noble telling you, or
3 you do not recall hearing from DeMaura or Russo
4 hey, this is what Sean's going to do. He's
5 going to send some of his money, to use your
6 words, to AFF and then they're going to send it
7 to CFF, and then CFF is going to use it for
8 Prop 30, anti-Prop, pro-Prop 32 ads?

9 **Mr. Miller:** Right, right.

10 **Mr. Zall:** You didn't hear about that --

11 **Mr. Miller:** Well, and you have to understand, I didn't, I
12 didn't have any conversations with Sean Noble.
13 Did I, at some point, become aware that Noble's,
14 the money was coming to CFF, yes. Do I recall
15 when that was, no. And, you know, it was right
16 around, that was -- I don't, I don't recall
17 that.

18 **Mr. Zall:** Do you recall that it was before or after, I
19 guess, before or after it happened? Do you
20 recall if it was before or after it happened?

21 **Mr. Miller:** Before CFF raised the money, I believe we knew
22 money was coming to CFF before it physically,
23 received the money, I believe we were told that.

24 **Mr. Zall:** Okay. Who was making these decisions?

25 **Mr. Miller:** But the, well, the thing is that I wasn't having

1 those conversations daily with Noble, or
2 whatever with Noble. I don't say daily because
3 I don't know often they occurred. I did not
4 have the conversation with Noble. But who was
5 making the decisions on what entities to use,
6 that was -- and I believe this for 100 percent,
7 Sean Noble was making those decisions on what
8 entities to find money from to send out to
9 California.

10 **Mr. Perna:** Was Mr. Russo --

11 **Mr. Miller:** Obviously.

12 **Mr. Winuk:** What's that impression based on?

13 **Mr. Miller:** Because we specifically were counseled. We did
14 not want to be, we wanted to send him money and
15 we wanted to, you know, the -- and I'm just
16 giving you the legal advice we received on how,
17 I believe, it was all handled. Is we wanted to
18 send him unearmarked money in hopes that he had
19 a separate entity that then could send money to
20 California. And at what point in time we became
21 aware of the entity that was sending money to
22 California, I do not recall. I believe on that,
23 specifically, CFF, I'm sure we heard about that
24 the money was coming to CFF before it arrived
25 there. Timing, I don't recall.

1 **Mr. Winuk:** But your impression that Sean Noble was making
2 the decisions about where the money was coming
3 from, was based on conversations with Tony Russo
4 or from other people or, what formed that
5 impression that that's --

6 **Mr. Miller:** Yeah, just from, just from Tony Russo and the
7 advice, I guess, we received, you know, just
8 from Tony Russo. Because like, I'll say the
9 attorneys, but the attorneys really just told us
10 what you can and can't say.

11 **Mr. Zall:** It's up to him, I'm good. Okay. If he -- How
12 are you doing, Mr. Miller?

13 **Mr. Hanly:** Do you guys want to take a little break?

14 **Mr. Zall:** Do you need a five-minute break or you want to
15 just keep rolling?

16 **Mr. Miller:** Sure, I wouldn't mind talking to Tom and Pat
17 here for a minute, actually.

18 **Mr. Hanly:** Okay.

19 **Mr. Miller:** If you guys are good with that.

20 **Mr. Zall:** Yeah, that's good.

21 **Mr. Bowers:** We can do that.

22 **Mr. Miller:** I feel like I need to be very clear about what
23 my role was. My primary role in this was
24 raising money. And for those of you who haven't
25 been involved in a campaign before, that is

1 24/7. So, you know, did I participate in some
2 of these calls and some of these discussions,
3 absolutely. But was I focused on it, no? I
4 trusted Tony Russo implicitly. I trusted his
5 ability to do the right thing, on how expenses
6 occurred. My focus -- even when I'm on those
7 conference calls, my focus was always on money,
8 multi-tasking. I mean, I have to assume some of
9 you all, because some are political persons that
10 have been involved in campaigns. You are busy
11 all day long. And when you're trying to raise,
12 \$50, \$60 million dollars, that is a huge effort.
13 And, you know, as you all see, we had, we had
14 other fundraisers out there that were helping
15 us. And my focus was really on getting the
16 money in the door. So I just want to make sure
17 clear, because I'm aware I have immunity. I
18 need to, I am willing to share everything with
19 you, all I know. But I really just kind of get
20 the sense you all think I'm hiding something
21 from you all. And it's really just because my
22 focus was getting the money in the door. That
23 was my job. That was what I was trying to get
24 done. And then, trusting others, to make sure
25 that the money was being well spent.

1 Mr. Zall: Yeah. And we, and you know, Mr. Miller --

2 Mr. Miller: I just want --

3 Mr. Zall: -- we can accept that. But remember that, you

4 know, we got to ask the questions. And if you

5 can't remember --

6 Mr. Miller: Well, I know, I know, I --

7 Mr. Zall: -- then that's fine. And we, and we may

8 press --

9 Mr. Miller: I understand that --

10 Mr. Zall: -- we may press you because that's what lawyers

11 do. You know, if somebody says --

12 Mr. Miller: Right.

13 Mr. Zall: -- no, I'm not sure then, as a lawyer, you know,

14 you're trying to say well, can you recall

15 generally. And you shouldn't take that as any

16 sort of us impugning your integrity. We're just

17 doing our job, asking the questions. If you

18 don't know or you weren't privy to it, just say

19 so and we'll move on to something else. So,

20 yeah, don't --

21 Mr. Miller: Okay, I just wanted to, I just wanted to --

22 Mr. Zall: -- don't worry about it.

23 Mr. Miller: -- to lay it out there. Okay.

24 Mr. Zall: Okay, fair enough. You want to get -- go ahead,

25 Bob.

1 Mr. Perna: Okay. In, and it's document Miller 575, it
2 talks about a follow-up coordination meeting,
3 back in --

4 Mr. Zall: Give him, Bob, let him, let him find it so he
5 can --

6 Mr. Perna: Okay.

7 Mr. Miller: Yes.

8 Mr. Perna: And so this is a follow-up meeting that's being
9 held back in Washington, DC and there's a -- as
10 you can see, as far as who's on the email, a lot
11 of organizations.

12 Mr. Miller: Right.

13 Mr. Perna: So what exactly was the purpose of the meeting,
14 what was discussed there, who actually attended
15 and --

16 Mr. Miller: and that --

17 Mr. Perna: -- that type of thing.

18 Mr. Miller: That meeting, actually -- I don't, I'm not, I
19 don't even recall if the initiatives were
20 discussed in that meeting. That meeting really
21 was all sorts of people that were involved in
22 the congressional races and the legislative
23 races in California, updating them because a lot
24 of those people in that, from DC there were very
25 involved in the congressional races, and

1 supporting the congressional efforts. In
2 California, in, you know, we were, we were in
3 the public, we had an IE called California Now.
4 We were focused on supporting some of the
5 legislative races. They had IE's focused on
6 congressional races. And that was really just
7 about updating each other on what we were doing,
8 them updating us on what they were doing, as it
9 pertained to voter registration efforts and
10 legislative and congressional effort races. I
11 do not believe that there were any discussions
12 of the initiatives in those meetings or the
13 issue advocacy. The purpose of that meeting, of
14 those meetings, which I believe we had two of
15 them, were, revolved around legislative and
16 congressional campaigns.

17 **Mr. Perna:** Okay. But on the very next day, Mr. DeMaura
18 sent an email to you and Mr. Miller, concerning
19 a press statement? Where he wrote, "We should
20 have our California flacks, begin brainstorming
21 on the statement, AJS can have ready for the
22 press for when press inquiries about activity."
23 So that kind of indicates that there was
24 something that was going to happen, based upon
25 that meeting.

1 **Mr. Miller:** No, actually, I think that's probably a
2 coincidence, based on the fact that -- I believe
3 on that trip, we had dinner with Steve while we
4 were back there. We sat down with Steve
5 separately. I think, actually, that message
6 from Steve had absolutely nothing to do with
7 that meeting we had with the US Chamber and, I
8 mean, you'll recognize some of those, you may
9 not recognize some of those names. Those are
10 kind of a big boys in DC that run all the big
11 527 independent expenditure efforts for
12 congressional and US Senate races in the
13 country.

14 **Mr. Winuk:** What was the --

15 **Mr. Miller:** And they can give a --

16 **Mr. Winuk:** -- activity referred to in the email?

17 **Mr. Miller:** Just --

18 **Mr. Winuk:** Sorry.

19 **Mr. Miller:** Well, what, can you direct me to the email
20 you're talking about?

21 **Mr. Winuk:** Yeah, September 14th. Bob, do you have a
22 reference number?

23 **Mr. Perna:** Yeah, I, that's the one I missed the reference
24 on, and I apologize for that.

25 **Mr. Hiltachk:** And there's a handful of them in the pile.

1 **Mr. Hiltachk:** It's the emails, Jeff, of on, I think they were
2 dated September 14th --

3 **Mr. Winuk:** 14th, yeah.

4 **Mr. Hiltachk:** -- in which DeMaura asked something to either
5 you or Tony, "We should get our flacks ready."
6 Something like that. And then I think you guys
7 agreed to have a phone call about it.

8 **Mr. Perna:** Correct, that's correct.

9 **Mr. Miller:** On September 14th?

10 **Mr. Hiltachk:** Thereabouts, yeah. Do you remember why, what
11 Steve was referring to?

12 **Mr. Miller:** No, I remember, I mean, obviously, we had
13 planned to have flacks ready to answer questions
14 on Issue Advocacy, and to answer any other
15 questions when AJS got attacked. I don't
16 remember what he was referring to. The only
17 thing I can tell you is, is that it wouldn't
18 have had anything to do with that coordination
19 meeting you see because, to be perfectly frank,
20 all those people in that coordination meeting,
21 for the most part, could have given two shits
22 less about how successful we were in our
23 initiatives. You know, it wasn't their goal or
24 job. Their goal and job was to win back houses
25 in, or seats in the House for Republicans and

1 the US Senate races.

2 **Mr. Winuk:** So putting aside the DC meeting, though, and
3 focusing on the development of a plus plan, the
4 activity that was being described, from your
5 perspective was the issues ads or something
6 different?

7 **Mr. Miller:** Well, that's what I said. I don't recall but I
8 think that, you know, for a number of things,
9 when all of the bad press started on the CFF
10 money and elsewhere, obviously, we knew we would
11 have to have somebody that could respond as a
12 coms person, you know, for Americans For Job
13 Security, to press-related questions.

14 **Mr. Winuk:** What was your -- oh, sorry.

15 **Mr. Miller:** And on issue advocacy--

16 **Mr. Winuk:** I'm sorry.

17 **Mr. Miller:** I say, no, I mean, it, that wasn't, that was
18 part of, you know, and I don't know if we have a
19 copy of, you know, any of that here. But I
20 mean, from day one you knew, when you're, you
21 know, as I mentioned, the whole retribution deal
22 from the unions, we knew that we would need to
23 have a communications effort for Americans For
24 Job Security and how to answer questions from
25 the press when they posted, you know, issue

1 advocacy ads and issue advocacy websites.
2 Because that's what the press do, is they go in
3 and ask questions, as where does this come from,
4 what's this for, blah-blah-blah? And that's why
5 you need a, you know, a person that helps them
6 respond to the press.

7 **Mr. Winuk:** Was it your perception that AJS would be
8 controversial, as a purchaser of issue ads?

9 **Mr. Miller:** Well, of course. That's why we had to, as I
10 stated at the beginning, that's why we knew we
11 had to find a 501(c)(4) outside of California
12 because -- and controversial might be the wrong
13 word -- it was strictly for fear of retribution
14 from the public employee unions. I've, I have
15 had personal experience with that when Governor
16 Schwarzenegger, you know, Governor
17 Schwarzenegger tried paycheck protection back in
18 2005, during the special election. I was then
19 working for a company and we wrote a significant
20 reportable check to Governor Schwarzenegger's
21 effort for that paycheck protection. And we had
22 the unions go after our company in both
23 appropriate and inappropriate ways. And so --

24 **Mr. Winuk:** Right. But you're saying --

25 **Mr. Miller:** Do you have to have --

1 Mr. Winuk: You're saying you went out of state to --

2 Mr. Miller: Because that was why --

3 Mr. Winuk: -- AJS to, because you didn't, wanted to avoid

4 some of those issues. And have someone who --

5 Mr. Miller: No, no, because we knew there wouldn't be a

6 legitimate, it was unlikely there would be a

7 legitimate 501(c)(4) in California who would be

8 willing to take the risk of going against the

9 unions. Because everyone is aware that if you

10 go against the unions in California, they hunt

11 you down and put an end to it.

12 Mr. Winuk: Right, but you're saying you went and chose AJS

13 for that reason, because you viewed them as one

14 step removed because they were out of state?

15 Correct?

16 Mr. Miller: Because they didn't care what the union --

17 because the unions had no ability to, you know,

18 screw with them like the unions would have the

19 ability to screw with, say, the State Chamber of

20 Commerce in California.

21 Mr. Winuk: Right. So I'm asking you, on the flip side

22 then, when you were contemplating making the

23 expenditure for the issue ad, you're developing

24 a press statement. Was that because you thought

25 AJS would also be perceived as controversial in

1 making the contribution, or in making the
2 expenditures?

3 **Mr. Miller:** Well, yeah, but I mean, you just said, but when,
4 you know, just like every other campaign, you
5 care how your message is framed in the media.
6 So controversial might be wrong but it's like,
7 you know, someone might -- if just one side is
8 coming out and saying those AJS guys are ran by
9 Stalin's grandchildren, you need them to come
10 out and say no, AJS is a legitimate organization
11 that participates in issue advocacy and
12 education around the country, and all that type
13 of stuff that you do in a campaign. Because you
14 have to have somebody that can respond to the
15 press when an organization that's spending money
16 is attacked. And I felt --

17 **Mr. Winuk:** So you anticipated there might be some press
18 inquiries about AJS that could potentially have
19 a negative --

20 **Mr. Miller:** Well, of course, if they're talking about --
21 well, yeah, I mean, if they're going to spend,
22 which our original plan was, you know, however
23 many millions of dollars on issue advocacy. Of
24 course, they'll get, there will be press
25 inquiries and, of course, there will be people,

1 specifically, the unions that would try to
2 undermine those efforts. So, of course, you
3 have to have somebody ready to respond to the
4 press, to speak to the fact that AJS was a, you
5 know, a legitimate organization with a
6 legitimate purpose, blah-blah-blah-blah-blah.

7 **Mr. Perna:** This email from DeMaura on the 14th is also the
8 day after CFF was, you know, created and had
9 gotten four million dollars from AFF. So is
10 there a connection between the statement that
11 DeMaura was, the activity DeMaura was talking
12 about and CFF and their activities?

13 **Mr. Miller:** I don't know.

14 **Mr. Hiltachk:** There was actually --

15 **Mr. Miller:** I wish I could look at the email you're talking
16 about but --

17 **Mr. Hiltachk:** There was actually emails forwarding a clip
18 about that contribution to --

19 **Mr. Perna:** On the 18th

20 **Mr. Hiltachk:** -- DeMaura --

21 **Mr. Perna:** On the 18th.

22 **Mr. Hiltachk:** -- on the 18th?

23 **Mr. Perna:** Yeah, that's --

24 **Mr. Hiltachk:** You're sure it wasn't before?

25 **Mr. Perna:** It was the 18th.

1 Mr. Hiltachk: Yeah.

2 Mr. Miller: Okay, I'm looking at -- I just, I just came,
3 on Miller 542, FYI, whoever Mandy Fletcher is,
4 sent out a press release stating that California
5 Future Fund for Free Markets, blah-blah-blah-
6 blah-blah. And I forwarded that to Dave Carney
7 and Steve DeMaura, as an FYI.

8 Mr. Perna: Right, correct.

9 Mr. Miller: That's what I see.

10 Mr. Hiltachk: So, yeah, I think that's an example --

11 Mr. Miller: So per that --

12 Mr. Hiltachk: -- of what I would have thought would have
13 occurred.

14 Mr. Miller: Yeah.

15 Mr. Zall: Mr. Miller, what about the -- you said that you
16 did become aware, you think you probably did
17 become aware beforehand, that, of the transfer
18 from, to CFF from AFF. And that that was one of
19 Noble's vehicles for assisting your effort? Is
20 that right?

21 Mr. Miller: Yeah, what I, well, what I said is I'm, is that
22 I'm, I believe we and, fact, I'm fairly certain,
23 we found out that the California Committee --
24 which I don't remember which one that was of the
25 two acronyms you just listed, but I assume it's

1 CFF --

2 Mr. Zall: Correct.

3 Mr. Miller: -- was receiving the money.

4 Mr. Zall: Okay. And then, what do you recall learning
5 about the transfer to ARL, the Arizona entity,
6 and then the subsequent transfer to SBAC?

7 Mr. Hiltachk: Can you break that, just, can you break that
8 down because there could be different answers to
9 each part of that?

10 Mr. Zall: Okay, well, let's talk about the --

11 Mr. Hiltachk: It might be easier to go backwards?

12 Mr. Zall: Yeah. So obviously, you knew about the
13 transfers to CPPR?

14 Mr. Miller: Yes.

15 Mr. Zall: Okay. So, and you knew --

16 Mr. Hiltachk: From AJS, correct?

17 Mr. Zall: From AJS, that there was a four million,
18 approximately, in, you know, September 10th, and
19 then in early to mid-October, there were two
20 transfers, one for 14 million and one for six
21 million. Do you recall those?

22 Mr. Miller: Yes, \$6.5, it looks like on here.

23 Mr. Zall: \$6.5, correct.

24 Mr. Miller: I mean, I'm looking at them here on the
25 spreadsheet. So and was I aware as those

1 transfers occurred, yes. Were we then made
2 aware, at some point, on who would be writing a
3 check to SBAC, yes.

4 Mr. Zall: Okay.

5 Mr. Miller: Was that, was that ARL? I didn't think it was
6 ARL, maybe it was. But did ARL end up being the
7 one that wrote the check to SBAC?

8 Mr. Zall: Correct. Yes.

9 Mr. Winuk: Yeah.

10 Mr. Miller: Okay.

11 Mr. Zall: And do you recall when, again, if you can, do
12 you recall when you were made aware of, that ARL
13 would be a, the vehicle that Mr. Noble would use
14 to get the money to assist your guys' efforts?

15 Mr. Miller: No, but it was, it was, obviously, before it
16 occurred. But no, I don't recall when.

17 Mr. Zall: Okay. So then --

18 Mr. Hiltachk: That's wrong, but that's okay.

19 Mr. Miller: What did I say? Because we, didn't we hear that
20 there would be -- we knew, at some point, there
21 was money, we were told and I believe, at some
22 point, we heard there was going to be money
23 coming to SBAC. I don't remember the --

24 Mr. Hiltachk: Listen to the --

25 Mr. Miller: What I don't remember is the groups.

1 Mr. Hiltachk: Yeah, listen to the question Jeff.

2 Mr. Miller: Right.

3 Mr. Hiltachk: Did you know it was ARL?

4 Mr. Miller: No.

5 Mr. Hiltachk: Okay. So when did you first hear the name
6 Americans for Responsible Leadership?

7 Mr. Miller: I don't remember. If that was the group that
8 gave it to SBAC, I assume at the point when SBAC
9 received the money, or when we were, we found
10 out that they were sending a check or wire,
11 however, they were handling it to SBAC.

12 Mr. Zall: Okay.

13 Mr. Miller: Were we aware of ARL when we wrote a check to
14 CPPR, no, if that was the, if that was the
15 question. I had never heard of ARL before so --

16 Mr. Winuk: So at some point, you heard that the hope was
17 going to come true that money was going to come
18 to California through CPPR? Did you hear about
19 that before the money went to SBAC?

20 Mr. Miller: Well, no, what we --now, to clarify, we hoped
21 that no money would come from CPPR because that
22 was where we were writing a check to help their
23 other efforts. We hoped they had other
24 committees that would come in and support our
25 efforts in California so they weren't using our

1 money.

2 **Mr. Winuk:** Okay. So your hope was -- I'm sorry, that's
3 interesting. So your hope was that other
4 committees would contribute directly, not
5 through CPPR? Is that correct?

6 **Mr. Miller:** Yeah, because listen, and I don't want to keep
7 on repeating myself but from my knowledge, what
8 the Koch Network is, is a lot of committees out
9 there that raised hundreds of millions of
10 dollars. And our hope was, listen, we'll send
11 money to CPPR and we hope that Sean has another
12 or separate committee that could send money,
13 different money, to California. Not, never --

14 **Mr. Zall:** Okay.

15 **Mr. Miller:** -- never was the understanding that CPPR would
16 send money to California.

17 **Mr. Zall:** Okay, so, all right. Let's try to clarify.

18 **Mr. Miller:** And I would, although I wasn't part of those
19 conversations with Noble, I fully, you know, I
20 would expect anyone, including attorneys, would
21 have told him no. You know, because they,
22 that's why there's, there was no guarantees in
23 this. We gave money to CPPR hoping that Noble
24 would find other committees with other money to
25 send out, that would be willing to support our

1 efforts in California.

2 **Mr. Zall:** Okay.

3 **Mr. Bowers:** Did you believe Noble was clear on that?

4 **Mr. Miller:** I believed, but I never had a conversation with
5 him.

6 **Mr. Bowers:** And who did?

7 **Mr. Miller:** Tony Russo.

8 **Mr. Winuk:** Were you concerned at all for your donors,
9 though, that, in essence, you gave away their
10 \$29 million dollars, without any guarantee at
11 all, that it would be used for the purpose you
12 raised it for, all these trusted friends?

13 **Mr. Miller:** When I began to begin concerned is after he
14 sends a letter saying he laundered money.

15 **Mr. Winuk:** Right, but before that, I mean you, as you
16 said --

17 **Mr. Miller:** No.

18 **Mr. Winuk:** -- you spent, you spent all day in a busy
19 campaign raising an awful lot of money and then,
20 literally, every dollar of it went to the
21 purpose that, a different purpose than you
22 raised it for. With really just the hope that
23 some of it might of it --

24 **Mr. Miller:** No, I --

25 **Mr. Winuk:** -- might come back.

1 **Mr. Miller:** Yeah, but that's how this, that's how it works
2 in these campaigns in politics. There's, you
3 know, you send money somewhere else, you hope
4 they can help you in other ways, or do anything
5 in these campaigns. I mean, no, I wasn't
6 concerned, I mean, the first time I remember
7 being stressed out and worried that, was when
8 that letter we saw that he sent to, I assume,
9 you, Gary, that said, essentially, and I'm
10 paraphrasing, it essentially said he laundered
11 money. That's when we got concerned.

12 **Mr. Winuk:** Did any of the donors call to ask you if the
13 money had been spent on issue ads? And if so,
14 what did you tell them?

15 **Mr. Miller:** No, I remember getting a couple calls from
16 donors saying hey, is there anything we need to
17 be concerned about? And the answer was no, we
18 have done everything 100 percent legal.

19 **Mr. Winuk:** But that, sorry, it's a slightly different
20 question.

21 **Mr. Miller:** And I mean, up until the end --

22 **Mr. Winuk:** Not about after --

23 **Mr. Miller:** Yeah.

24 **Mr. Winuk:** -- you know, the whole incident happened with
25 the public disclosure of it. I'm just talking

1 about, you raised the money, you told people it
2 was going to be spent on issue ads. Did someone
3 call up and say hey, Jeff, did our money --
4 **Mr. Miller:** Yeah, I --
5 **Mr. Winuk:** -- get spent on issue ads?
6 **Mr. Miller:** -- I think, I, well, no, I think, though, a call
7 came in saying hey, what are you guys doing out
8 there? You know, especially after the ad, the
9 article came out. It's like, listen, you got to
10 just trust us. We have to be careful about what
11 we can say to you all legally and we're doing
12 our best, you know. So did anybody, I don't
13 recall if anyone specifically asked about those
14 issue TV ads that we showed people. Because, I
15 mean, you know, by that time, the express
16 advocacy committee was running ads. It just was
17 not running ads to the same extent that the
18 unions were. And that was, the calls that I got
19 the most were from a donor in the Silicon Valley
20 that says, how come I'm seeing 500 union ads on
21 my TV and I'm not seeing any of ours? And I
22 would be like, well, because they have ten times
23 as much money as we do and we can't afford to do
24 a media buy in the Bay area. Instead, we're
25 doing our media buy in, you know, markets where

1 we think we have ability to get votes and we can
2 afford to win. I mean, that was kind of my
3 standard response to those types of questions.

4 **Mr. Winuk:** So were you at all disappointed that the money
5 you raised for an issue that you care about got
6 diverted for another purpose? And if so, did
7 you express that to anyone?

8 **Mr. Miller:** Well, no, the, my frustration as did I think
9 everybody who was involved with the process came
10 when Sean Noble said he laundered money?

11 **Mr. Zall:** Right, but hold on.

12 **Mr. Miller:** That was the question.

13 **Mr. Winuk:** Well, you keep --

14 **Mr. Zall:** Just a -- but here's the question, I think, that
15 we're trying to get at is, so you raised \$29
16 million dollars and, as you said and, you know,
17 for what it's worth -- I did work on, I do have
18 a political background. I worked, actually, on
19 the Wilson re-elect so I know, you know, money
20 is a mother's milk of politics. And I know,
21 yeah --

22 **Mr. Miller:** Right.

23 **Mr. Zall:** -- that you sit there and you, you know, you're
24 on the phone and you're working very, very hard
25 to raise money and you can completely lose

1 yourself in that. But it sort of dovetails with
2 Gary's point, is you work so hard to raise this
3 money from these people. There's so much trust
4 involved. These are the same people that, if
5 you ever wanted to run paycheck protection again
6 in, you know, five years -- if the pendulum
7 swings a little bit and the right-of-center
8 folks think they can win, you'll be going back
9 to these same people trying to raise money. And
10 the bottom line is, \$29 million got raised for
11 issue ads and it looks like somehow, you know,
12 \$15 million of some other money -- to use your
13 phrases -- ended up in California. So half the
14 money --

15 **Mr. Miller:** Right.

16 **Mr. Zall:** -- of which you raised didn't even up being used
17 in here.

18 **Mr. Miller:** Well, yeah, but at that point --

19 **Mr. Zall:** And that doesn't trouble you at all?

20 **Mr. Miller:** At that point, did we -- well, of course, you,
21 of course, at that point, when -- when, you
22 know, we had sent \$24 million dollars to a Sean,
23 to CPPR, in the hopes that Sean Noble would find
24 other committees to send money to us and, you
25 know, \$14 million ends up here. He completely,

1 in my opinion, lies, for whatever his own reason
2 was, about how that was handled. And we end up
3 with only \$14 million, as opposed to \$24
4 million, coming out here, or \$14 million, as
5 opposed to \$20 million, or some amount closer?
6 At that point, upset, of course. But that was
7 never the expectation. The thought and the hope
8 was is that, listen, we're going to help this
9 committee of Sean's and, you know, we're hoping
10 that he's going to have these other committees
11 that are going to, that he's going to be able to
12 find money to come help us. And it's hopefully
13 a very significant amount of money, close to
14 what we're helping out with. So at, you know,
15 when we only receive that amount of money, I
16 mean, are you pissed, hell, yeah, I'm pissed.

17 **Mr. Winuk:** Those two things seem to be in conflict though.

18 **Mr. Miller:** But you know, at that point, at that point you
19 can, at that point we were screwed, you know --

20 **Mr. Winuk:** Those two things seem to be in conflict, though.

21 **Mr. Miller:** -- because we didn't have any legal control.

22 **Mr. Winuk:** How can you be disappointed the money didn't
23 come back if you didn't have an expectation that
24 some of the money would, eventually, make its
25 way back?

1 **Mr. Miller:** Well, isn't that what I mean by when I say, we
2 hoped that he was going to find committees that
3 were going to give us his, the monies? So, of
4 course, you know, we hoped that he was going to
5 find a significant amount of money to send back
6 here and he, obviously, fucked up, excuse my
7 language.

8 **Mr. Zall:** All right, so let's, let me try to clarify,
9 okay, and make sure because this seems to make
10 sense to me. Is that the California Future Fund
11 example, say, \$4,050,000 gets transferred by AJS
12 to CPPR. And then, Noble, through his
13 committees that he controls or works with, finds
14 a way to send \$4,080,000 to aid you in
15 California. That seems to be what --

16 **Mr. Miller:** Yes.

17 **Mr. Zall:** -- in line with what your guys' expectations
18 were, or what you hoped for.

19 **Mr. Miller:** Yes.

20 **Mr. Zall:** Is that fair?

21 **Mr. Miller:** Well, what I, I have to tell you, I was hoping
22 that they would send us more than a total of
23 \$24 million out to California --

24 **Mr. Zall:** Right.

25 **Mr. Miller:** -- because I was hoping that those guys would

1 actually come up with more money.

2 **Mr. Zall:** Right.

3 **Mr. Miller:** Because, in my opinion, the fight we were facing

4 in California, California is an anchor for this

5 country.

6 **Mr. Zall:** Right.

7 **Mr. Miller:** And I was hoping they would see that and send up

8 more than \$24 million. But the fact is, when

9 that \$11 million dollar deal happened, and when

10 Sean's response was what it was, things just,

11 obviously, were not good from thereon.

12 **Mr. Zall:** Now, was there, do you know if, did anybody

13 decide, was there some sort of, do you know if

14 there was any discussion about not sending

15 additional monies? Or was this just a Sean

16 Noble decision not to sort of send similar

17 monies to assist you similar to what you had

18 sent him? In other words, was this just Noble

19 deciding, okay, they sent me \$24, I'm going to

20 find a way, through my committees, to get them

21 \$11?

22 **Mr. Miller:** Yeah.

23 **Mr. Zall:** And the rest, I'll --

24 **Mr. Miller:** I'm going to try to --

25 **Mr. Zall:** -- do what I want with? Yeah, go ahead.

1 Mr. Miller: Yeah, I'm going to, I'm going to try to answer
2 your questions. I think that -- and I was not
3 party to these conversations -- but when Tony
4 found out, you know, when we found out that the
5 letter that Sean had sent, basically, said he
6 was laundering money, the discussions broke
7 down, right?

8 Mr. Zall: But that was, wasn't that --

9 Mr. Miller: And I don't know --

10 Mr. Zall: -- but that was, that was the day before the
11 election. So that would have been too late to
12 spend any more money anyway.

13 Mr. Miller: No, I didn't think, I didn't think it was. I
14 thought the FPCC issue, or whoever began looking
15 into how Sean was handling that money was far
16 before the day before the election. Do I recall
17 that incorrectly?

18 Mr. Winuk: It was the day, the morning of the day before
19 the election.

20 Mr. Hiltachk: But the controversy started well before that.

21 Mr. Miller: Yeah.

22 Mr. Winuk: The controversy started --

23 Mr. Miller: Yeah, and I --

24 Mr. Winuk: -- with about three weeks to go in the election.

25 Mr. Hiltachk: Okay, so I think he might be crunching them into

1 one day.

2 **Mr. Miller:** No, there was a point in time where, where it,
3 we started to lose hope and I don't remember
4 when that was. But in between, when the
5 controversy started and when Sean sent you that
6 letter, or right about then, that we started to
7 realize that he's not going to, you know, do
8 what we hoped he would do.

9 **Mr. Zall:** Do you --

10 **Mr. Miller:** To me, it's like the most, the most glaring
11 memory in my mind is finding out that he sent a
12 letter saying he laundered money. Okay, that is
13 what I recall the most distinctly and feeling
14 just completely screwed over it.

15 **Mr. Zall:** And he, but you also said you also were not
16 happy that -- it looks like you sent his
17 organization a lot of money and he didn't really
18 do what you guys hoped he would do, in terms of
19 sending, helping you?

20 **Mr. Miller:** Right.

21 **Mr. Bowers:** Well, Mr. Miller, in your words, from your
22 perspective, what is it that Mr. Noble either
23 did or failed to do?

24 **Mr. Miller:** Sometime in between that \$11 million dollar
25 contribution and when he, and the end of the

1 campaign, and those are what we had hoped he
2 would do and he, obviously, didn't do it. And
3 do I recall what day that was, the last couple
4 weeks of the campaign, I don't. I apologize.

5 **Mr. Bowers:** So, in other words, you were expecting more
6 donations?

7 **Mr. Miller:** Yeah, we were, as I said, and this was obvious,
8 we sent -- Americans For Job Security sent
9 \$24 million dollars to CPPR. Our hope was
10 that -- and I really hoped, and I really thought
11 that these guys that, all these big guys on the
12 national level realized how critical this fight
13 was in California. And I really hoped that they
14 would send us more than we sent them. You know,
15 that they would find other committees and they
16 would find big donors that wanted to send us a
17 lot of money because this is such a -- because
18 it was, I believed and which I think I'm now
19 proven right, is that if we lost that election,
20 Republicans would lose the State for at least
21 the next 15 to 20 years. Which I believe is a
22 fact, at this point. And so I had hoped and I,
23 you know, I thought that they would, they would,
24 they would step up, above and beyond, to support
25 our efforts out here. Especially, because in

1 the beginning, as I mentioned, they were paying
2 for our research, they obviously had interest in
3 it. But that wasn't, obviously, the case.

4 **Mr. Zall:** Okay, so --

5 **Mr. Miller:** And I don't know that that, I don't know that
6 wasn't their intention. And we can only
7 hypothesize what was going on with Sean Noble
8 but, you know --

9 **Mr. Bowers:** Well, that's what I'm wondering how you view it?
10 Do you view it as a double cross? Do you think
11 he just dropped the ball? What's your view on
12 that?

13 **Mr. Miller:** You want me to speculate?

14 **Mr. Bowers:** No, your, your --

15 **Mr. Miller:** I think he --

16 **Mr. Bowers:** -- your best estimation.

17 **Mr. Miller:** I think that, I think that he probably didn't
18 inform all of his superiors -- I don't, I'm not
19 sure how their network works, to be perfectly
20 frank. But when he, when he started to get in
21 the shit storm he panicked and lied to you all
22 about how it was done to protect his
23 organizations. That's what I think happened. I
24 don't know that, though. That's what I think
25 happened. I think that he panicked and to

1 prevent your agency from opening up his books,
2 he made, he lied.

3 **Mr. Winuk:** Do you know --

4 **Mr. Miller:** And he made a bad decision.

5 **Mr. Winuk:** Do you know why the payments from AJS to CPPR
6 were made in three kind of short installments?
7 Or why it wasn't made in a single payment?

8 **Mr. Miller:** It was part, I don't recall but my guess is a
9 lot of that was probably based on our cash flow,
10 too. I mean, if you, well, the, I mean, I would
11 assume a lot of that was based on our cash flow
12 but I don't recall. But you can see, in the
13 middle of October, and in of October, we
14 collected a pretty significant amount of money.

15 **Mr. Perna:** Yeah, like around \$16 million in October. Now,
16 you know, on October 11th is when the \$14
17 million got transferred from ARL to CCPR.

18 **Mr. Zall:** AJS, Bob.

19 **Mr. Perna:** And they -- I'm sorry, what did I say?

20 **Mr. Zall:** ARL.

21 **Mr. Perna:** Oh, I'm sorry -- AJS to CPPR, the \$14 million on
22 the 11th of October. And at that -- so and
23 then, on the 15th is when ARL gave \$11 million
24 to SBAC. Now, and then, at that point, you
25 talked about a controversy and there was a lot

1 of press regarding that contribution.

2 **Mr. Miller:** Right.

3 **Mr. Perna:** But then, on the 19th, you still, you know, you
4 said you were concerned about that. But then,
5 on the 19th is when you did another \$6.5 million
6 which is, you know, after the controversy
7 started. Why would --

8 **Mr. Miller:** Right.

9 **Mr. Perna:** -- why would you continue doing --

10 **Mr. Miller:** Well --

11 **Mr. Perna:** -- giving if you had concern about how he's
12 going to use the money? Go ahead.

13 **Mr. Miller:** Right. Well, I think I was -- as I said, I
14 don't recall the timeline, at what point Sean
15 really became, you know, noticed that how Sean
16 was going to handle things. But, obviously, I
17 think when it first came out, we expected that
18 they were going to respond to the agencies with
19 the truth and what they did and it was all legal
20 and it would, you know, go away. But obviously,
21 the controversy became worse and worse and,
22 obviously, well, you all know what happened
23 going forward from there. So, and I'm just
24 trying to recollect but I'm assuming that, you
25 know, we were still feeling okay about it, even

1 though no one was probably liking what was
2 happening, that Sean would find other
3 committees. Obviously, on October 19th, we
4 still hoped that Sean was going to find other
5 committees that would help us and that he
6 wouldn't -- obviously, at that point, we did not
7 know yet that Sean was going to send the letter
8 saying he had laundered money.

9 **Mr. Zall:** When did you, when did you, when do you think
10 you became aware that the vehicle he was using
11 was ARL? Did you just become aware of that,
12 again, after the donation was made to SBAC or
13 did you become aware prior to that, that he was
14 going to use that entity to get you guys some
15 money?

16 **Mr. Miller:** I don't recall exactly but I assume at some
17 point, we were told, hey, ARL is sending a check
18 to SBAC.

19 **Mr. Zall:** Okay.

20 **Mr. Perna:** On October 13th, there's an email and it's not
21 part of yours -- so I'm just -- where Joel Fox
22 wrote to Chip Nielsen, explaining that Russo had
23 told Fox that SBAC would be getting \$10 million
24 dollars from three groups on the 15th. And
25 another \$10 million the following week. Do you,

1 do you have any idea what Mr. Russo was, what
2 contributors he was talking about?

3 **Mr. Miller:** No.

4 **Mr. Perna:** Okay.

5 **Mr. Miller:** No, you should probably ask Tony.

6 **Mr. Bowers** Do you recall any discussion about that sort of
7 payment structure?

8 **Mr. Miller:** All I recall is that the -- and you know, I
9 mean, that's the problem is that I was not in
10 these, involved in these conversations with
11 Sean. But I think that we were all hoping that
12 he had other committees out there that were
13 going to be able to support our efforts. And
14 that's what I recall. How the breakdown or if
15 he, if Sean told them hey, I got three
16 committees I think that will be able to help you
17 out, I don't remember.

18 **Mr. Perna:** That's it.

19 **Mr. Zall:** So I'm thinking they should have Russo say,
20 ready to go, say, 2:00 o'clock? And get half of
21 him in today?

22 **Mr. Winuk:** We can start at 1:00. I think --

23 **Mr. Hiltachk:** Tony's ready to go at 1:00, if you guys want to
24 start at 1:00.

25 **Mr. Zall:** Okay, yeah, we could do that. Because I bet you

1 we'll be done by noon, what with Mr. Miller.

2 **Mr. Hiltachk:** Yeah.

3 **Mr. Zall:** So if he comes 1:00.

4 **Mr. Hiltachk:** Do you want me to call Tony?

5 **Mr. Zall:** Yeah, let's do that.

6 **Mr. Hiltachk:** Have him come here at 1:00?

7 **Mr. Zall:** Yeah. You want to take like a five minute break

8 real quick --

9 **Mr. Hiltachk:** Yeah.

10 **Mr. Zall:** And we can make a quick review --

11 **Mr. Hiltachk:** Yeah.

12 **Mr. Zall:** -- and see what else we want to --

13 **Mr. Perna:** I'm going to pause this.

14 **Mr. Miller:** It's past lunch time for me, right now.

15 **Mr. Zall:** Oh yeah. All right, well, we're wrapping up

16 pretty quick, I think.

17 **Mr. Perna:** I'd like to ask you a question regarding a, an

18 email that you sent to a potential contributor,

19 where you told them that in, that October 5th

20 was the last day that you could receive money

21 for AJS. And I don't have the reference number

22 for that email. But my question, but just my

23 question is, why would you tell somebody that?

24 **Mr. Miller:** I think, at that point in time, the plan was is

25 that we were going to not be letting any more

1 issue advocacy, or we wouldn't be doing any more
2 issue advocacy at that time. We would want
3 people strictly writing reportable checks to
4 express advocacy so that money could be used,
5 specifically, for those purposes. And I don't
6 really even know what you are talking about but
7 that's my assumption.

8 **Mr. Perna:** Okay.

9 **Mr. Zall:** Did you guys run any issue ads at all?

10 **Mr. Miller:** I don't believe so, no. I mean, we drafted
11 them, they were awesome ads. Check them out on
12 the PowerPoint, if you have --

13 **Mr. Zall:** Yeah.

14 **Mr. Miller:** -- an electronic version.

15 **Mr. Zall:** I did. I thought they --

16 **Mr. Hiltachk:** You mean on the TV or radio?

17 **Mr. Zall:** Yeah, the TV or radio. I thought they were
18 good.

19 **Mr. Hiltachk:** But they did do --

20 **Mr. Miller:** Yeah, they were --

21 **Mr. Hiltachk:** And I'm not sure he knows how much but they did
22 do web and social media, subsequently.

23 **Mr. Bowers:** Yeah, he said that, right.

24 **Mr. Miller:** Yeah, I think they were better than what the
25 express advocacy campaigns actually ended up

1 running, in my opinion, but --

2 **Mr. Perna:** Okay. On your document number 555, where on
3 October 11th, there was -- a major contributor
4 to your campaign wrote to Charles Koch, saying
5 that, asking Koch to support the passage of
6 Prop 32. And he talked about Sean Noble, of
7 your group, has been immensely helpful in our
8 efforts. Can you explain Noble's efforts that
9 he's talking about?

10 **Mr. Miller:** As I believe I mentioned earlier in this
11 meeting, Sean Noble had arranged to pay for a
12 significant amount of op research and focus
13 groups, etcetera, early on. And obviously, this
14 donor was aware of the amount of money we were
15 trying to get to and was hoping that Koch,
16 himself, I assume this is to Charles Koch, I
17 don't assume, I can read it, would himself write
18 a check to our effort.

19 **Mr. Perna:** And do you know how Noble is connected to Koch's
20 group?

21 **Mr. Miller:** I don't but I know -- I'm not familiar with how
22 that Koch Network completely works. I know Sean
23 plays a role with it. I don't, I don't even
24 know exactly what his role is in the Koch
25 Network. But I know he plays a role with them.

1 And that's all I know. It's a pretty vast
2 network, from what I understand and mainly that
3 comes from reading the same articles that a lot
4 of us read about, what the Koch brothers did
5 this past cycle. I mean, a very vast effort of
6 a lot of committees and they raised hundreds of
7 millions of dollars.

8 **Mr. Zall:** Mr. Miller, what about this meeting in September
9 in DC?

10 **Mr. Winuk:** Bob asked about that.

11 **Mr. Hiltachk:** We've asked about that.

12 **Mr. Zall:** Oh, you guys asked about that already? Okay. I
13 wasn't paying close enough attention.

14 **Mr. Perna:** On the ledgers that you provided to us with,
15 that show the, basically, the dates that
16 contributions were received and then the
17 expenditures?

18 **Mr. Miller:** Right.

19 **Mr. Perna:** I Want to just get some clarification on what
20 some of the expenditures were for. There is, it
21 says, legal override for a million dollars. I
22 know there's an email --

23 **Mr. Miller:** Now, see, --

24 **Mr. Perna:** Go ahead. Well, there's an email that talks
25 about --

1 **Mr. Miller:** Now, see, you're looking at a, at the
2 expenditures portion of the ledger, at the end
3 there.

4 **Mr. Perna:** Yes, yes, sir.

5 **Mr. Miller:** Where do you -- I don't see where that is but --

6 **Mr. Perna:** And the email that's actually, I think is
7 probably consistent with that one million
8 dollars is 398 on your emails. It talks about
9 reserving a million dollars. I think it's
10 consistent with talking about that legal
11 override. Where you, where you said, you was
12 telling DeMaura that he could spend the money,
13 all but a million dollars?

14 **Mr. Miller:** Right. And that was, I mean, strictly to, yeah,
15 you know, let's continue to make things happen.
16 But I think when you're involved in an effort
17 like this, as I mentioned, we were afraid of
18 retribution and we were aware that we needed to
19 have, you know, legal set aside, as you do in
20 every major campaign. You always set aside
21 legal dollars, a legal budget. Because the fact
22 is, is after a campaign and, especially, when
23 you lose a campaign, no one wants to give you
24 any more money. And so that was what that was
25 about.

1 Mr. Perna: Okay.

2 Mr. Zall: And you may have answered this and I apologize
3 if you did, Mr. Miller. When the plan changed
4 and a decision was made to send most of the
5 money to Sean Noble's network, and hope that you
6 guys would get, you know, some of their
7 money --in fact, as you said, maybe more than
8 you sent them coming back to your effort. When
9 that change in plan was made, who would have
10 known about it? I'm not just talking about who
11 would have been involved in the decision but who
12 would you have conveyed that to, you and
13 Mr. Russo? Would, for example, would you have
14 told -- would the SBAC, would they have known
15 about that change in plan?

16 Mr. Miller: I don't believe so but I didn't have, I didn't
17 have a lot of conversations with Joel on that
18 so --

19 Mr. Zall: Okay. Who --

20 Mr. Miller: To my knowledge, it would have been really Tony
21 and DeMaura and myself in the conversations.
22 But I don't know that I ever had conversations
23 that my -- I can't speak for whoever else had
24 conversations with Joel but I don't think I ever
25 had conversations with Joel about that. In

1 fact, I'm confident I didn't.

2 **Mr. Zall:** Okay. So then, again, the decision to change
3 the plan would have been made by yourself,
4 Mr. Russo and Mr. DeMaura?

5 **Mr. Miller:** Yes, sir.

6 **Mr. Zall:** Okay. And then, I think you said that you were
7 not privy to these but your understanding is
8 there were discussions with Mr. Noble, between
9 Mr. Noble and Mr. Russo and Mr. DeMaura about
10 this new plan?

11 **Mr. Miller:** Yeah, I don't know, I don't know. I, yeah, no,
12 obviously, that occurred. The new plan is
13 what's kind of -- I just want to be clear so
14 that I, you know -- Tony had conversations, to
15 my understanding with Noble that he briefed me
16 on. And you know, as we saw limited and limited
17 availability to do things, he, the thought was,
18 let's send money to Sean's group and hope that
19 he sends significant amount of money from his
20 other groups. And, you know, Steve, I don't
21 know that Steve ever had -- so I just want to
22 make sure I'm on your question. I don't know
23 that Steve ever had conversations with Sean
24 Noble but he may have. I don't want to say that
25 for a fact because I'm not aware of

1 conversations Steve DeMaura had with Sean Noble.

2 **Mr. Zall:** And then, I guess, and this may be, I may have

3 just asked you this. But then, the -- you kind

4 of are resisting a little bit the

5 characterization of it as a new plan. Can you,

6 I guess, elaborate on that?

7 **Mr. Miller:** Well, I'm just, well I, I know, I mean, I don't

8 know, I guess because I hadn't used that

9 terminology, is that, you know, campaigns, as

10 you know, are an ongoing -- you have a plan but,

11 you know, they're an ongoing changing process,

12 based on what's happening in the campaign. So

13 that was my main, it wasn't really resistance to

14 it. It's just, I just never really thought of

15 it as a new plan. It was just changing course

16 as we were moving along and facing tremendous

17 hurdles out here in California, or out there in

18 California because, thank God, I'm no longer out

19 there in California.

20 **Mr. Zall:** Yeah, I guess, but you --

21 **Mr. Miller:** Just kidding.

22 **Mr. Zall:** -- didn't, but you guys didn't do any, you

23 didn't run any of those ads. I mean, you didn't

24 run any, you know, issue ads.

25 **Mr. Miller:** No, we didn't and --

1 Mr. Winuk: So that was kind of different.

2 Mr. Miller: -- we didn't and it was, it is and it's

3 disappointing we didn't do it. I mean, because

4 I believe those ads were awesome. But a lot of

5 it was, and I'm trying to recall exactly, but I

6 mean, a lot of it was cash flow, too. Because,

7 like, we didn't, you know, we were hoping at the

8 beginning to be able to go up on the air with

9 those issue ads. As a matter of fact, you can

10 see it with the, in the, if we go through that

11 timeline here in this presentation. I don't

12 know what page it's on. But just give me a

13 minute here.

14 Mr. Zall: No, I know what you're talking about. You

15 wanted to run the issue ads early.

16 Mr. Miller: You know, to go up with issues ads in July.

17 Mr. Zall: Right.

18 Mr. Miller: And if you look at the timeline of our cash

19 flow --

20 Mr. Zall: Right.

21 Mr. Miller: -- that just wasn't even possible. I mean, we

22 didn't have enough money to go up with a

23 significant TV buy in July, based on our

24 receipts? I mean, most of, as you can see, I

25 mean, we've got -- I'm not going to add this up

1 right -- but the amount of money we collected by
2 the end of June wasn't anywhere near enough to
3 do any type of credible TV buy in July. And,
4 you know, I'm just looking at this. I'm not
5 recalling this. I'm just looking at the
6 numbers, just from an obvious perspective. We
7 didn't collect enough money in July or June to
8 really be able to go up with any type of
9 meaningful TV buy by that time. And, I mean,
10 I'm just looking at the facts on the paper here
11 as the, and the problem is there's not commas on
12 these numbers so adding it up is tough. But it
13 looks like maybe a max, a million and a half,
14 two million collected in June/July. I'm trying
15 to add quickly and I might not be doing that
16 right.

17 **Mr. Zall:** No, I know, I understand. We didn't -- I think
18 I understand your point. What about, again, it
19 comes back to once this decision was made that
20 you weren't going to run these ads -- I mean,
21 we're you going to find another, try to find
22 another way to help the effort. You didn't, you
23 guys didn't contact Jon Coupal, John Kabateck,
24 Joel Fox, the people that were sort of running
25 these campaigns, to let them know. Because, my

1 assumption would be that they were a part of
2 this California Comeback Plan. I know you said
3 you consulted with a lot of people when you
4 formulated the plan. So when the plan got
5 tweaked, you guys didn't consult, tell any of
6 these people?

7 **Mr. Miller:** I definitely didn't tell any of those people.

8 **Mr. Zall:** Okay.

9 **Mr. Miller:** I mean, I -- no one. I don't know that, yeah, I
10 didn't, I didn't discuss with any of those
11 people and I'm -- I don't know if Tony did but I
12 don't think, you know -- those are groups that
13 were active and their endorsements were helpful.
14 Are those political consultant-types that know
15 how to win campaigns? Kabateck's not. He's a
16 good buddy of mine but that's not what he does.
17 He runs NFIB and he is, you know, he was great
18 and I don't remember everything he did during
19 the campaign but, you know, he did the same
20 types of things, I assume, that he did in every
21 campaign. He goes out there and he sends
22 messages to his members and he speaks on behalf
23 of NFIB on those issues, you know. But I did
24 not, I never had those conversations with them
25 about spending plan that I can recall. And I

1 kind of doubt I would have.

2 **Mr. Bowers:** Mr. Miller, can you give me a sense of the
3 dynamics of the campaign, say in September or
4 October that would serve as a sort of context
5 for the decisions and the actions that were
6 taken? In other words, where there are shifting
7 dynamics in the campaign that could have, should
8 have affected the choices that were made among
9 the players, from your perspective?

10 **Mr. Miller:** We were, we were, well, I would say, from my
11 perspective, what was happening in September and
12 October, that I made a very bad assumption on,
13 as a money guy, was the unions came up with way
14 more money than we ever imagined possible. I
15 don't know where they came up with it. I don't
16 know how they got it. But we just kind of made
17 our own guesstimates and, obviously, ignorant
18 guesstimates at that, on how much money they
19 would have. I mean, you asked me what I was
20 thinking about a lot is how am I, am I going to
21 raise more money because the unions, obviously,
22 have \$150 to \$160 million dollars to spend,
23 based on their spend rate. And how do we raise
24 more money to combat that? That's what was,
25 that, you know, if I'm going to say what, if I

1 was to pick something that was going through my
2 head at that time, it's we're getting our asses
3 handed to us on the airwaves. We're getting our
4 asses handed to us on the ground because we saw
5 that the, what they were doing with teachers and
6 what they were doing with their -- you know,
7 they had these call centers up and down the
8 state where each manned with 100 people all day
9 long making phone calls and just kicking our
10 butts. So, I mean, what was going -- that's
11 what was going through my head at that period of
12 time. And what do we have to do to push back,
13 what do you have to do to raise more money, you
14 know, and the tough part was, too, is because
15 of, it was, it was not easy to raise money. I
16 mean, I know you all looked at that and say it's
17 a significant amount of money. But that was not
18 a significant amount of money against \$150
19 million dollars.

20 **Mr. Bowers:** And so, I imagine, as you watched that unfold,
21 that created maybe some feelings of urgency or
22 maybe even desperation, at some point, on your
23 part or the part of the other players?

24 **Mr. Miller:** Yeah, desperation's a bad word because, you
25 know --

1 **Mr. Bowers:** What word would you use?

2 **Mr. Miller:** -- we've all -- stressed, how do we get more
3 money in the door to fight the fight. How do we
4 get troops on the ground, which is impossible
5 because we just didn't have those types of
6 resources. By resources, I'm not referring to
7 financial resources, I'm talking about human
8 resources. I mean, so and our cash flow, as you
9 can see here, the money wasn't coming in quick
10 enough. You know, and you can see that. We
11 weren't able to do what we wanted to do in the
12 summer time because we didn't have the cash to
13 do it. So, you know, stressed and worried and
14 starting to see signs of a significantly larger
15 effort on their side than we expected, yes.

16 **Mr. Zall:** Okay. And I, and this may have been asked
17 already but, I guess what I'm struggling with a
18 little bit is that you, on the one hand you're
19 saying that you got, that you were hustling to
20 raise cash, that you saw the unions had oodles
21 of dough, and you needed money, money, money,
22 money, money. But then, at the same time, you
23 guys make this decision to send all your hard
24 earned money to Sean Noble's group with a hope
25 that he would send it to California. I mean,

1 those just don't -- I'm having trouble putting
2 those two together.

3 **Mr. Miller:** Yes.

4 **Mr. Zall:** You see what I'm saying?

5 **Mr. Miller:** Yeah, and I do. And I completely understand,
6 from your perspective, but I don't know how to
7 make you more comfortable with my answer. But
8 my answer is the truth because we knew, we were
9 told by our attorney we could not have a legal
10 agreement. We could not have, we could not know
11 for a fact how Sean was going to find other
12 money to send to us. So we could only hope, you
13 know, and obviously, it was a mistake. Right?
14 It didn't -- what we hoped did not happen.

15 **Mr. Zall:** Right.

16 **Mr. Miller:** We could only hope that they would send us that
17 much and more. Because that was how it was
18 explained to us legally. We couldn't have a
19 signed document with Sean or even a verbal
20 agreement with Sean that, if we send you a
21 dollar, you'll send us a dollar. We could not
22 legally have those conversations. So yes, we
23 had to -- and I appreciate the fact that you all
24 don't like the fact that I'm saying hope, but
25 that's what it was. Because that's what, that's

1 how we were told legally it had to happen. We
2 could not have a legal agreement on what would
3 happen with those dollars. And that we could
4 not have a legal agreement that Sean would find,
5 for certain, other monies. We hoped that he
6 would. And I apologize that --

7 **Mr. Zall:** No, no, it's okay.

8 **Mr. Miller:** -- I think you all are digging for a different
9 answer and, you know --

10 **Mr. Zall:** No, no, no, you've been clear with that.

11 **Mr. Winuk:** You want to do Bob's last couple of follow-ups?

12 **Mr. Zall:** Okay.

13 **Mr. Winuk:** I think we're ready, Bob.

14 **Mr. Zall:** Just a couple more, Mr. Miller.

15 **Mr. Miller:** Yes, sir.

16 **Mr. Perna:** On the spreadsheets, again, and there's a couple
17 line items. One says California override, and
18 then, AJS override. Can you explain those to
19 me, please, what they are?

20 **Mr. Miller:** Yeah, what we agreed on is that five percent of
21 all the money we raised, we would take, and I
22 don't remember, X-percent for the legal, which
23 was about a million. The other X-percent would
24 come out to us to pay for us and the people that
25 worked for us on this effort. And they would

1 keep the other X-percent of pay for them, and
2 whatever they needed on their efforts. That was
3 the override. You know, since there was a
4 fundraising fee of, you know -- I don't remember
5 what our share was of that. I'm not --

6 **Mr. Perna:** Wait, down, lower on it, at the bottom, it does
7 say Capital Consulting Strategy, and then it, it
8 equals the, one of these totals. Your end was
9 the --

10 **Mr. Miller:** Yeah, it equals, it, well, that was, that's my
11 company and it would equal the California
12 override because --

13 **Mr. Perna:** Okay.

14 **Mr. Miller:** -- as I mentioned, that was the compensation for
15 us --

16 **Mr. Perna:** Okay.

17 **Mr. Miller:** -- and our folks to do this work.

18 **Mr. Perna:** Okay. And what is AJS override, again, please?

19 **Mr. Miller:** The same thing for them, you know, we didn't, we
20 didn't ever ask them how they wanted to use
21 their override. But it's very, you know, that
22 was their override and to pay for them and
23 whatever they wanted to. I mean, it was not,
24 there's no agreement on how Steve would use his
25 override. His override was for their purposes.

1 And I believe that I might be completely wrong
2 on this. I believe that what we did was they
3 took five percent of total raise and we agreed,
4 ahead of time, five percent of the total raise
5 would be split, essentially, three ways. Not
6 even the X-percent towards the legal override.
7 And then, X-percent to -- and maybe it was
8 greater than that.

9 **Mr. Perna:** Well, on --

10 **Mr. Miller:** And X-percent to, maybe it was ten percent that
11 was split, I don't recall. But I can figure it
12 out if I sit here with a calculator and do the
13 math, probably. But we received X-percent as
14 our compensation. They received X-percent as
15 their compensation. And X-percent was set aside
16 as legal override.

17 **Mr. Perna:** Okay.

18 **Mr. Miller:** Which was, you know, the, you always, in a
19 campaign, set aside money for legal because --

20 **Mr. Hiltachk:** Thank God.

21 **Mr. Miller:** -- as I mentioned, you always know, after the
22 fact, if you've lost, the donors aren't going to
23 give you any more money.

24 **Mr. Perna:** Well, it looks like --

25 **Mr. Miller:** And so --

1 Mr. Perna: -- it looks like it wasn't a straight five
2 percent, I'm basing it upon some of your emails.
3 Where, like, 265 and 266, where it talks about,
4 there is like, what one, where you sent an email
5 to Theresa Olivares, who is with Capital
6 Advocacy, which is, I think, probably Tony
7 Miller's company.

8 Mr. Miller: No, she actually was just doing my bookkeeping
9 for free.

10 Mr. Perna: Okay.

11 Mr. Miller: She was just my, she, literally, just set
12 invoices up for me.

13 Mr. Perna: Okay. Okay. Anyway --

14 Mr. Miller: So two now, so I think I am right about the five
15 percent split. I think -- and I'm looking at an
16 email, that's 2-1/2 percent of what we raised,
17 which would be, that's why --

18 Mr. Perna: Oh, I see.

19 Mr. Miller: -- we're doing. So maybe what it was, was --

20 Mr. Perna: And up to \$20 mil.

21 Mr. Miller: 2-1/2 -- so maybe what we did was we split ten,
22 more than ten percent. I mean, I can do the
23 math here. I'm just not recalling what the,
24 what the percentage was we set aside. This is
25 easier to do it this way, right?

1 **Mr. Zall:** It looks like it's about ten percent.

2 **Mr. Perna:** The exact amount's probably not there. But I

3 was just wanting to understand how it worked.

4 Because it looks like it -- you had 2-1/2

5 percent and it says, in addition to the \$20 mil

6 collected and then it talks about billing at

7 7-1/2 percent of any additional money raised.

8 So like there, it looks like there was like

9 different, it was stratified, based upon --

10 **Mr. Miller:** Well, I believe that what we did was, once we

11 had reached that amount of money into the legal

12 override, we said, well, okay, then let's just

13 take that percentage now and that should be

14 enough to save in the legal override. And let's

15 just take that and no longer save more money in

16 legal override now. Now, there's a million

17 dollars and we can bill for that. That's my

18 assumption.

19 **Mr. Perna:** Okay.

20 **Mr. Miller:** Which, obviously, that means that the split was

21 15 percent, and the override -- the total

22 override was 15 percent. And but okay, so now

23 my memory is jogging. We received five percent,

24 they received five percent, and five percent

25 went into legal. You know, I think, once we had

1 a million dollars in legal, we felt, well, that
2 should be plenty of money, you know, hindsight
3 20/20 on that one --

4 Mr. Perna: And so --

5 Mr. Miller: -- to set aside for legal.

6 Mr. Zall: Well, you shouldn't, you shouldn't hire such
7 expensive lawyers, Mr. Miller.

8 Mr. Miller: Right.

9 Mr. Perna: So the money that went into AJS, basically, it
10 looks like you really, with a, were responsible
11 and raised all the money that went there, the
12 \$29 million. Correct?

13 Mr. Miller: I didn't raise all of it. But that was my
14 primary role was raising that money.

15 Mr. Perna: Okay.

16 Mr. Miller: Yes.

17 Mr. Perna: And they got --

18 Mr. Miller: I don't, I don't, I didn't raise all of it. I
19 mean, there's money that came in that I didn't
20 raise. But that wasn't, my primary role was
21 raising it, yes.

22 Mr. Perna: Okay. Well, it looks like a substantial portion
23 of it you were involved in.

24 Mr. Miller: Yes, sir.

25 Mr. Perna: And then, I see some other expenses, like Ivy

1 Media, \$155,000. Another \$110 for them. Were
2 those, were those -- what were those type of
3 expenses? Have anything to do with, like,
4 creating maybe the ads?

5 **Mr. Miller:** Yeah, I think, I think, I think that Ivy Media
6 was the website and the social media that I
7 mentioned to you, I think. I believe that's
8 what that is.

9 **Mr. Perna:** Okay. And so the expenses associated with
10 creating those ads, those television ads, the
11 television ads, are -- who did those?

12 **Mr. Miller:** That was a lot of what the, Sean Noble
13 underwrote.

14 **Mr. Perna:** Okay. So they wouldn't even be on here then?

15 **Mr. Miller:** I think he, I think he paid for -- and I might
16 recall this incorrectly, but I believe he, you
17 know, I told you he paid for op research and for
18 focus groups. I think he also paid for Leah
19 McCarthy, who developed the ads.

20 **Mr. Perna:** Okay. So that's, that's why they're showing up.

21 **Mr. Miller:** You should ask Tony that but I think that was
22 the case.

23 **Mr. Perna:** Okay. And so, basically, for making some
24 arrangements with consultants and different, and
25 doing these web things, they all, AJS got about

1 one and a half million dollars fee? Okay.

2 Mr. Miller: Right.

3 Mr. Perna: Okay.

4 Mr. Winuk: We're good.

5 Mr. Hiltachk: We're good?

6 Mr. Perna: We're good, unless you want to go anymore?

7 Mr. Hiltachk: Cool.

8 Mr. Hanly: Thanks Jeff. All right, you want to wait until

9 Jeff --

10 Mr. Miller: Thank you guys.

11 Mr. Hanly: -- you want to wait until Cliff comes back? You

12 think he's good?

13 Mr. Winuk: I think he's good.

14 Mr. Bowers: He's good.

15 Mr. Winuk: All right.

16 Mr. Bowers: Mr. Miller, thank you.

17 Mr. Winuk: Thank you, Mr. Miller.

18 Mr. Miller: You, too.

19 Mr. Hiltachk: Thanks, Jeff.

20 Mr. Miller: Tom, you want to call me?

21 Mr. Hiltachk: Yeah, we'll, I'll give you a call. Okay, so

22 Tony's good at 1:00. We're done.

23 - INTERVIEW CONCLUDED -

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25